

# BULLETIN

OF THE

# DEPARTMENT OF LABOR.

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**INDUSTRIAL COMMUNITIES. (a)**

BY W. F. WILLOUGHBY.

CHAPTER V.

FAMILISTÈRE SOCIETY OF GUISE, FRANCE.

The study of the history and practical operations of the Familistère Society of Guise is of interest for reasons quite different from those that render interesting the study of the other industrial centers that have been described. In the latter cases the industrial undertakings have been organized and conducted on the same basis as that existing for the conduct of business generally. The industrial organization of the Familistère of Guise, on the other hand, is unlike that existing anywhere else in the world. This organization has been the result, not of a historical growth, but of a deliberate putting into execution of a previously elaborated scheme by which it was intended to build up a special industrial community on a distinctly communistic basis. The object sought was to secure a perfect mutuality of interests of all concerned in production. This mutuality was to be obtained not only by the introduction of an advanced type of cooperative production and distribution, but by the erection of large tenement houses, called "familistères," in which the members of the society should reside almost as one big family, by the common education of the children of members, by the erection of a theater and bath and wash houses for general use, and by the development of mutuality in every way through the organization of mutual insurance and aid funds and kindred institutions.

The present society dates from 1880, when it took over the business until then carried on by M. Godin as an individual enterprise. To

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*a* See footnote to the beginning of this series of articles in Bulletin No. 3.

understand the present character of the Familistère of Guise, it is necessary to trace its rise in the history of the industry as created and for several decades carried on by M. Godin. The treatment of the Familistère of Guise embraces, therefore, three parts:

1. History of the business of M. Godin from its creation in 1840 until the organization of the Société du Familistère de Guise in 1880.
2. Organization and description of the society.
3. Results of the practical operations of the society from 1880 until the present time.

#### HISTORY OF THE BUSINESS OF M. GODIN.

M. Jean-Baptiste-André Godin, the founder of the business now carried on by the Société du Familistère de Guise, the founder of the society, and until his death, in 1888, its general manager, was born January 26, 1817, at Esquehéries, a small village in the Department of Aisne, France. His father was a simple artisan of the village. His schooling was of the most rudimentary description, differing in no respect from that received by the children of other workingmen and peasants. At 11 years of age he commenced his apprenticeship as a locksmith in his father's workshop. Here he remained until his seventeenth year, when, following the custom prevalent at that time, he undertook a tour of France in order to perfect himself in his trade. In 1840, being then 23 years of age, he returned to his native village and opened a small workshop for the manufacture of stoves and related iron utensils. In this he made a radical departure from existing methods of manufacture. As the result of inventions, for which he received letters patent, he commenced the manufacture of stoves from cast instead of sheet iron, which had previously been employed.

He continued to invent new devices, for which he secured in all over fifty letters patent. As a result of these improvements his industry increased constantly in importance, and in 1846 he found it advisable to move his works to Guise, a neighboring village more favorably situated for the conduct of a large manufacturing enterprise. At this date he employed about thirty workingmen. After its removal to Guise the business continued to grow, until to-day it is one of the most important manufacturing establishments in France. Until 1859 the history of the industry differs little from that of any growing establishment. In that year was commenced the erection of the left wing of the familistère, a large building for housing the employees of Godin; also the inauguration of a system for the organization of labor that in the future was to give to the life of the employees of the establishment its peculiar character.

Before entering upon a description of this system, it is necessary to go back and trace what were the exact aims that M. Godin desired to realize through it. From his earliest years Godin developed the spirit of a philosopher who meditated deeply upon conditions surrounding



him. When but 11 years of age, while at school, he was harboring plans for improving methods of instruction. But from the moment of his entrance into active industrial life he devoted all his energies toward devising methods for the improvement of the conditions of the industrial classes. The development of the communistic ideas of St. Simon, Cabet, and Fourier gave a final shaping to his thoughts, and in him Fourier found his most ardent disciple. It is unnecessary to enter deeply into this period of Godin's life. In his book entitled *Solutions Sociales*, published in 1871, an English translation of which was made by Marie Howland in 1886, Godin has given us his autobiography and a full statement of the development of his theories and his connection with Fourierism. In the abortive attempt of M. Victor Considérant, in 1853, to establish a community in the State of Texas to be conducted on Fourier's communistic plans Godin lost 100,000 francs (\$19,300), or one-third of his fortune at that time. Nothing daunted by this failure, Godin determined to introduce into his own industry his ideas regarding mutuality, and by the gradual reconstruction of the organization of the industry transform it into one conducted upon a strictly communistic basis. The ideas that he wished to realize were, briefly, these:

First, and above all, the principle of mutuality was to be developed in every possible way. To do this there were to be created institutions answering to almost every need of his employees, by means of which the lives of the employees were to be lived largely in common. The keystone to the whole system of mutuality would be the congregation of his employees and their families into large tenement houses, called "familistères," where to some extent they were to live as one great household. The children were to be educated in common schools; a cooperative store would furnish supplies to all the members; mutual aid societies and insurance funds against accidents, sickness, and old age would develop the spirit of solidarity; and bath and wash houses, a theater, restaurants, etc., were to be erected for common use.

Second, the industry was gradually to be transformed into one conducted on a strictly cooperative basis. The employees were to own not only all the familistères where they lived, the schools, theaters, etc., but the manufacturing plant as well. Nothing, probably, shows the remarkable business capacity of M. Godin better than his recognition of the impossibility of putting his plans, in their entirety, into immediate execution. For success it was necessary first to create a stable body of workmen devoted to the interests of his establishment and to develop in them the principles of mutuality. It was his intention to create all the institutions necessary for the life of an industrial settlement, such as he planned, while he was yet in complete control, and then, when the ground had been completely prepared and the essential parts of the machinery of government had been running satisfactorily



for some time, to bring into existence the association of workingmen that should take over its management and introduce the principles of complete mutuality, both in the conduct of the industry and in the ordinary life of the employees. To do this required a period of twenty years. The first step was taken in 1859, when the corner stone of the left wing of his principal familistère was laid. This wing was finished and occupied in 1861. The following year (1862) the central pavilion was commenced, and in 1865 it was ready for occupancy. It was not until 1877 that this familistère was completed by the erection of the right wing. The increased demand for apartments, after the constitution of the society, led to the erection in 1882 of the small familistère of Landrecies, and, in the following year, the large familistère of Cambrai. School buildings, a theater, a restaurant, and bath and wash houses were in the meantime erected, until finally there existed around the factories all the buildings necessary for the self-contained life of the members of the society.

#### ORGANIZATION AND DESCRIPTION OF THE SOCIETY.

The character of the Familistère Society of Guise at the present time differs little from what it was in 1880, when the society was first constituted, except in such particulars as would necessarily result from an enlargement of the business and the construction of two additional familistères. The description that follows is of conditions as they exist at the present time:

The business comprises the manufacture of stoves, iron ware enameled with porcelain, lamps, kitchen utensils, etc. The total amount of land owned by the society for its various purposes amounts to 41.6832 hectares (103 acres), of which 35.3813 hectares (87.4 acres) are at Guise and 6.3019 hectares (15.6 acres) at Laeken, Belgium. The plant at Laeken is operated in every way as a branch of the central establishment at Guise. A familistère has been built there for the housing of the employees, and the industry and life of the employees are conducted under the constitution and regulations that prevail at Guise. No further special mention will be made of Laeken. The figures, however, given in all the statistical tables, excepting those on pages 593 and 594, which pertain only to Guise, relate to the entire industry as carried on at both places.

The land owned at Guise is situated on the river Oise just on the outskirts of the village. Of the total of 35.3813 hectares (87.4 acres) the factories and their dependencies occupy 10.6103 hectares (26.2 acres), the familistères, schools, etc., and the open place and grounds surrounding them, 2.6514 hectares (6.5 acres), and the remaining land, 22.1196 hectares (54.7 acres), is given over to parks, lawns, vegetable gardens, etc. The river Oise divides the ground into two parts. Upon one bank are located all the factory buildings, the smallest of the familistères, and the bath and wash houses. On the other side are



built around a central place the main familistère, usually designated the "Palace," the third familistère, and the schools, theater, restaurant, etc.

In 1880 M. Godin believed that the time had come for putting into execution his long-cherished plans of an association to consist of the workingmen of his establishment who should take over the industry and conduct it and its various mutual institutions on a cooperative basis. All the institutions necessary for the working of his plan, including even a system of profit sharing, were then in existence. For years he had been at work on the drafting of a constitution. This was now completed. The workingmen whom he had already accustomed to the principles involved in it were called together and the constitution was formally adopted. Its length, some 150 pages, and the detail of its provisions—it regulates not only the organization of the association, but lays down at length the rules for the subsequent administration of every branch of the service—render it inadvisable to attempt to translate it in extenso. Instead, only the provisions necessary for a satisfactory understanding of the basis upon which the association is organized and its affairs conducted will be discussed. But even to do this will require considerable space, as the system here put into operation provides not only for the organization of an industry along special lines, but the regulation of all the details of life of its members grouped together in a unique community.

The association is named Familistère Society of Guise: Cooperative Association of Capital and Labor (*Société du Familistère de Guise: Association Coopérative du Capital et du Travail*). Its objects are declared to be the organization of a solidarity of interests among its members, by means of the participation of capital and labor in profits, and the maintenance of common institutions for their mutual welfare. Its membership consists of persons of both sexes, who, having signed the constitution, are the possessors of one or more shares of the society's certificates of stock and cooperate in the work of the society.

The scheme of membership provides for a regular hierarchy through the division of members into classes, according to the extent to which they are interested in the affairs of the society and the length of time they have been connected with it. The members proper are divided into three classes, viz, associés, sociétaires, and participants. To become an associé a person must be 25 years of age, a resident of one of the familistères and an employee of the society for at least five years, able to read and write, an owner of certificates of stock of the society to the value of at least 500 francs (\$96.50), and he must be admitted by the general assembly as an associé. A sociétaire is required to be 21 years of age and free from military duty, a resident of a familistère, an employee of the society three years, and he must be admitted by the managing council as a sociétaire. A participant must be 21 years of



age, free from military duty, an employee of the society one year, and he must be admitted by the managing council as a participant. In addition there are two other classes, called, respectively, *intéressés* and *auxiliaires*, who are not members, properly speaking, of the society. The first consists of outsiders who have come into possession of certificates of the society, but take no part in its work. The second is composed of workingmen who are employed by the society as demand for extra help is felt, but who have not fulfilled the requirements of membership.

This division into classes is of prime importance, for it is made the basis of the entire organization of the society, and the rights and privileges of each class differ widely. This difference of treatment relates principally to the division of profits, the right of employment, the right to live in the *familistères*, and participation in the government of the society. In the division of profits, as will be seen later on, the *associé* participates on the basis of double the amount of his annual earnings, the *sociétaire* on the basis of one and one-half times his earnings, and the participant on the basis of the exact amount of his earnings. As regards retention in case of lack of employment, the preference is given first to the *associé*, secondly to the *sociétaire*, and thirdly to the participant. The same order of preference is followed in the disposition of apartments in the *familistères*.

The administration of the affairs of the society is exclusively in the hands of the *associés*. They constitute the general assembly which elects all the officers and committees. The *intéressés* and *auxiliaires*, not being members of the association, do not, of course, participate either in profits or in the management of affairs. The rights of the first are limited to the receipt of interest on and the proportion of profits apportioned to the certificates owned by them; those of the second to their wages and a certain participation in the various mutual aid societies organized within the society.

To the society thus constituted, Godin turned over the entire property connected with his industrial establishment. But it was by no means his intention to give this property to the society. In founding the latter he had a double aim in view—to show, by a practical example, the advantages of conducting a business on strictly cooperative principles and to demonstrate to manufacturers that the transfer of the establishment from their hands to those of their employees could be accomplished without the former making any sacrifice, either in the way of loss of capital invested or in a legitimate interest. In both of these aims Godin achieved a complete success.

The means by which this transfer was accomplished are alone sufficient to mark the society as one of the most interesting industrial undertakings, from a social point of view, that has ever been projected. A careful inventory of the value of the property was first made. The total value was estimated at the sum of 4,600,000 francs (\$887,800).



The criticism has never been made that this was an excessive valuation. In return for the property thus handed over to the society, the latter issued founder's certificates (*titres d'apports*) to a like amount. These founder's certificates constituted the provisional capital stock of the society. They bore interest at the rate of 5 per cent, a very fair return on a commercial investment in France, and were also entitled to share in the division of the profits, as hereafter described. The payment of this interest constituted a first charge on the receipts of the society after operating expenses had been paid. The society, therefore, started with all its capital stock in the possession of M. Godin himself. The constitution, however, expressly stipulated that these certificates could be purchased at any time by the society at their face value. This was done in the following way: After all expenses of production, including interest on certificates and certain statutory charges, have been met, the net profits remaining, instead of being divided in cash among the members of the society, are applied to the purchase of founder's certificates. As fast as the latter are purchased they are canceled, and in their place there are issued to like amount association certificates or savings certificates (*titres d'épargnes*), as they are called, which latter are distributed among the members of the society as profits. The total of founder's certificates and association certificates thus always equals the sum of 4,600,000 francs (\$887,800). There is absolutely no difference between the two kinds of certificates regarding the right to interest or participation in profits. When all the founder's certificates have been replaced by association certificates the society acquires the absolute ownership of its property.

But it was not sufficient to make provisions by which the society could replace founder's certificates by those of its own. As members owning certificates died or resigned from the society, certificates would be constantly passing into the hands of persons not members of the society. It was therefore necessary to devise means by which the certificates could be kept in the possession of members. This was accomplished by the provision of the constitution that association certificates are at all times redeemable, and that as soon as all the founder's certificates have been canceled, the profits should be applied to the purchase of those association certificates bearing the earliest date, those held by outsiders being purchased whenever possible. These are then canceled and an equal amount of new certificates are issued, which, being distributed as profits, go to members of the society. In this way there goes on a constant process of cancellation of old certificates and the issue of new certificates in their place, the total amount outstanding always remaining the same.

The adjustment of financial relations, such as the determination of the remuneration of labor and capital and the division of profits, was arranged with no less ingenuity than that regarding the acquisition and retention of the stock of the society. The essential parts



performed by labor and capital in the processes of production are distinctly recognized. The wages system is retained in its entirety, and the right of capital both to interest and to a share in profits is affirmed with no less emphasis. The determination of the proportion of profits going to each is made in accordance with the following theory: The capital of capital, if the expression may be permitted, consists of its potentiality to purchase, i. e., to give to its owner commodities of value. The capital of labor consists of its power to create, i. e., to give to its owner commodities of value. The wages of capital consists of the amount it can earn during a certain period, i. e., its interest. The wages of labor consists of the amount it can earn, i. e., wages strictly so called. An equitable division of the products of industry, according to this theory, therefore, accords to each: First, its wages, i. e., to capital its interest and to laborers their earnings, these items entering into the cost of production before any profits can be realized; second, a participation in net profits according to the amount of work done by each, i. e., in proportion to the interest earned by capital and the wages earned by labor. A clear distinction is thus made between what capital earns in the way of interest and what as profits. This is but the broad theory. The actual apportionment of profits is a considerably more complicated matter. The exact method of division is fixed by the constitution. The sum remaining after the payment of all operating expenses, in which latter sum is included the wages of all employees, constitutes gross profits. From these gross profits the following four fixed charges must be met: (1) The payment of 5 per cent of the value of the buildings, 10 per cent of the value of the tools and machinery, and 15 per cent of the value of models into a fund to meet depreciation in the value of the plant; (2) the payment of a sum equal to 2 per cent of the total amount paid out in wages to the fund for the insurance of workingmen; (3) the payment of not less than 25,000 francs (\$4,825) into a fund for the education of children of members; (4) the payment of 5 per cent interest on 4,600,000 francs (\$887,800) of capital stock, whether represented by founder's or association certificates. The sum remaining after making these four payments constitutes net profits for distribution on a cooperative basis. Three classes of services are deemed to have a right to participate in net profits, viz, labor, capital, and directors, or those officials who manage the affairs of the society. The apportionment is as follows:

First. Twenty-five per cent is applied to a reserve fund until such fund has amounted to 10 per cent of the capital stock, or 460,000 francs (\$88,780). This amount was reached in 1881, and since then this portion of profit is added to that allotted to labor and capital.

Second. Fifty per cent (since the constitution of the reserve fund, 75 per cent) is apportioned to labor and capital to be divided according to the principles described above.



Third. Twenty-five per cent to those officials who manage the affairs of the society.

It was realized that it was indispensable to the success of the undertaking to secure men of ability for these services, and it was an example of great wisdom to thus make them so largely and directly interested in the financial results of the society. The details of the division of profits within the two classes of directors and labor and capital are as follows:

Of the 25 per cent allotted to directors 4 per cent is given to the general manager, 16 per cent for division among the members of the managing council, 2 per cent to the council of audit and control (*a*), 2 per cent to the managing council for distribution to workingmen who have performed exceptional services, and 1 per cent for the preparation and maintenance of one or more scholars in the advanced schools of the State.

The 75 per cent allotted to labor and capital is distributed in the following manner: The wages of capital represented by the interest of 5 per cent on the capital stock of 4,600,000 francs (\$887,800) is always a fixed sum, 230,000 francs (\$44,390). The wages of labor of course varies, but the total amount for the purpose of division of profits is calculated at a sum considerably greater than that actually paid. The members of the society, as has been described, are divided into a hierarchy of classes, the higher of which enjoys privileges greatly superior to those of the lower. The chief privilege is the relative extent to which they participate in profits. According to the formula of Godin, incorporated into the constitution, associés share in profits on the basis of twice the amount of their earnings, the sociétaires, one and one-half times, and the participants and auxiliaires, the exact amount of their earnings. The sociétaires and participants, however, living in the familistères and having been twenty years in the employ of the society, are included for this purpose among the associés, and participants not inhabiting the familistères, but having been twenty years in the employ of the society are included among the sociétaires. The amount apportioned to auxiliaires, moreover, is not paid to them, as they are not members, but is turned over to the insurance fund. The total of these various items, then, represents the total claims of labor. This seemingly complicated but really simple method of profit sharing will be much more easily understood by the use of the following hypothetical example:

	Francs.
Net annual profits .....	300, 000
Apportioned to directors, 25 per cent.....	75, 000
Apportioned to capital and labor, 75 per cent (reserve already constituted) .....	225, 000

*a* The duties of these officers are described on pages 578 and 579.

For the division of the latter amount the following calculation is required:

	Francs.
Profit-sharing wages of capital (5 per cent interest on 4,600,000 francs).	230, 000
Profit-sharing value of wages of labor—	
Associés (240,000 francs × 2) .....	480, 000
Sociétaires (430,000 francs × 1½) .....	645, 000
Participants (actual amount of wages) .....	675, 000
Auxiliaires (actual amount of wages) .....	470, 000
Total profit-sharing value of wages of capital and labor .....	2, 560, 000

The per cent of profits is obtained from the formula—

$$\frac{\text{Profits multiplied by 100}}{\text{Profit-sharing value of wages of capital and labor}} = \frac{225,000 \times 100}{2,500,000} = 9 \text{ per cent.}$$

To each class, therefore, are apportioned the following profits:

	Francs.
Capital, 230,000 francs at 9 per cent .....	20, 700
Associés, 480,000 francs at 9 per cent .....	43, 200
Sociétaires, 645,000 francs at 9 per cent .....	58, 050
Participants, 675,000 francs at 9 per cent .....	60, 750
Auxiliaires, 470,000 francs at 9 per cent .....	42, 300
Total .....	225, 000

It is unnecessary to follow the distribution to the individual members of each class. An inspection of this scheme shows that the rewards of labor, in addition to wages, are by no means represented by the sums set down in the annual reports as the proportion of profits allotted to labor. In the first place, two items of expenditure, those of a sum equal to 2 per cent of the amount paid out in wages given to the insurance fund and the sum of not less than 25,000 francs (\$4,825) to the fund for the education of children of members, are carried to operating expenses before net profits are obtained. Again, in the actual division of profits 25 per cent of the total amount is given to directors (high-class labor) before capital is allowed to participate; and here, again, labor enters proportionately to an amount considerably in excess of the sum actually paid in wages, and finally, capital profits not at all in the amount apportioned to the earnings of auxiliaires which is carried to the insurance fund. These conditions, however, are not so unfair toward capital as at first appears. The insurance of workingmen and the aid in the education of children of employees is by a great many of the more important industrial concerns of France considered as a legitimate item of the cost of production. The proportion of profits allotted to directors can be considered as a portion of their remuneration, and therefore an item in the cost of operation. The main departure from the theory of a division of profits according to the wages of labor and capital is in the multiplication of the earnings of the associés and sociétaires by two and one and one-half, respectively, before an apportionment of profits is made. This question, however, has not the importance that it would have were the capital held by others than members of the society.



Fixing the rate of wages in a cooperative enterprise is in itself, frequently, a matter of considerable delicacy. This difficulty is entirely avoided at Guise by the retention of the wages system in its entirety. As the society is always under the necessity of employing workingmen who are not members, its policy has necessarily been to fix the rate of wages according to the rules that pertain elsewhere in similar establishments. The general manager, the directors of the different services, and the office employees are paid by the month. The wages of the workingmen proper are, as far as possible, fixed by the piece, in order that each one can earn according to his capacity. When this can not be done wages are paid by the hour, and every precaution is taken to have the rate so determined that justice will be done between the piece and time workers. The rate is determined by the general manager, with the advice of the managing council. In case of dissatisfaction, complaint can be made to a workingmen's committee (*syndicat du travail*), which, together with the managing council, regulates the difficulty.

Thus far attention has been given only to the industrial branch of the society. The work of the society, however, comprehends two distinct spheres of activity, viz, the conduct of an industrial enterprise on a cooperative basis and the creation and management of various social institutions for the common benefit of its members in order that certain ideals concerning mutuality might be realized. To do this four main classes of institutions were organized: (1) Familistères and annexes (bath and wash houses, etc.), in order that the members may, to a great extent, live in common; (2) the provision of schools and schooling facilities for the care of the children of members, and their education in common from their earliest years until they are able to commence work; (3) the maintenance of funds for the mutual aid of members in need, and their insurance against accidents and sickness, and their pensioning in old age; (4) the organization of a cooperative system for the purchase and supply to members of articles of necessary consumption. It is the existence of these last features that gives to the work of the society its unique character and makes it of special interest as a social study.

The machinery of government is so constructed that its control must always fall into the hands of the older members, and therefore presumably into the hands of those most interested in the welfare of the society and most competent to be at its head. This is accomplished by taking advantage of the division of members into grades of classes. Sovereignty, if it is permissible to use the word in this connection, resides in a general assembly composed of all members of the society with the rank of associé. The general assembly meets once a year in regular session to hear annual reports, to elect officers, etc. Extraordinary meetings may be called if necessity arises for them. The duties of the general assembly include the approval of annual reports, the



sanctioning of all important matters of policy, the election of a general manager, the admission of members to the rank of associé, the modification of constitution and by-laws, and, in general, a supervision over the affairs of the society.

The actual business interests of the society are administered by a general manager (*administrateur-gérant*), assisted by a managing council (*conseil de gérance*), and three councils—council of industrial matters (*conseil de l'industrie*), council of management of the familistère (*conseil du familistère*), and council of audit and control (*conseil de surveillance*). The general manager is the executive head of the society. He unites in himself not only the duties of the ordinary official of that name, but many of those that in the case of a private industry belong to the proprietor of the establishment. He is responsible to the general assembly alone. He appoints and dismisses workingmen, within certain limits, however, and in general manages all the affairs of the society. He is elected by the general assembly for life, and can be removed only on account of the failure of the society to pay interest on the capital invested or because of misconduct or infraction of the provisions of the constitution. His salary is 15,000 francs (\$2,895) and 4 per cent of the net profits in addition to participating in profits in proportion to the amount of his salary and the capital of the society that he may possess.

The general manager is aided in all his work by a managing council, the consultation of which by him is in many cases obligatory. This council consists of the general manager himself, who is its president, a maximum of ten ex officio members, three associés elected annually by the general assembly, and such other persons the importance of whose positions renders it desirable that they should have a place on the council. The ex officio members are the chiefs of the different services into which the establishment has been divided, viz, commerce, manufactures proper, setting up, foundry, materials, supplies, chief accountant, accounts and control, models, and familistère. It would be impossible to enumerate all the duties of the board. It oversees the interests of the society, it controls expenditures, it authorizes repairs, it admits members as sociétaires and participants, and, in general, its advice must be taken on all important questions when submission to the general assembly itself is not required. Members of the council receive no additional salary other than the supplemental participation in net profits, as described under the division of profits.

But a few words will be necessary to describe the rôle of the three other councils that have been mentioned among the administrative agencies of the society. The council on industrial matters is composed of the same members as the managing council. It meets once a week to decide all questions relating to the practical operations of the conduct of the industry. The council of audit and control is composed of three members, elected by the general assembly at its annual meetings,



and has as its special duty the auditing of all accounts, the verification of reports, etc. The council on management of the familistères is composed of all associés who are members of the managing council, and is presided over by the general manager. Its duties consist of the management of all affairs relating to the familistères. It makes regulations concerning the care of the buildings; it gives its advice concerning the purchase of supplies for the cooperative stores, and concerning the renting and vacating of apartments. Members receive no extra compensation for their services on these councils.

#### OPERATIONS OF THE SOCIETY FROM 1880 TO THE PRESENT TIME.

The history of the practical operations of the society during the fifteen years that it has now been in existence offers no fact in the way of a change of policy of sufficient importance to be recorded. The society has continued steadfastly in the way mapped out for it by its constitution. The greatest strain that could occur to it was the death in 1888 of M. Godin, who had until then remained its general manager, and was of course the moving spirit of the whole undertaking. So firmly, however, had M. Godin founded his work that his death had practically no effect on the prosperity of the society. A new general manager, M. Dequenne, was elected, as provided for by the constitution, and the work of the society went on without break or modification of policy. As regards its growth in importance and numbers, the society has held its own, increasing, if at all, but slowly. The following table shows for each year since 1880 the total number of employees, the total amount paid out in wages, and the total value of the product:

EMPLOYEES, WAGES OF EMPLOYEES, AND VALUE OF PRODUCT OF THE FAMILISTÈRE SOCIETY OF GUISE, 1879-80 TO 1894-95.

Year.	Employ-ees.	Wages.	Value of product.	Year.	Employ-ees.	Wages.	Value of product.
1879-80.....	1,683	\$294,967.81	\$764,581.97	1887-88.....	1,691	\$374,003.01	\$848,178.10
1880-81.....	1,577	361,553.02	963,450.13	1888-89.....	1,881	421,498.29	742,329.30
1881-82.....	1,493	388,181.14	881,756.68	1889-90.....	1,768	405,704.51	783,536.51
1882-83.....	1,401	364,354.89	787,503.23	1890-91.....	1,713	416,988.31	794,859.21
1883-84.....	1,448	350,145.90	679,465.88	1891-92.....	1,706	429,502.49	791,993.08
1884-85.....	1,347	351,999.27	668,851.82	1892-93.....	1,724	408,934.65	768,324.89
1885-86.....	1,540	343,896.29	680,326.04	1893-94.....	1,676	410,454.11	774,816.48
1886-87.....	1,526	338,428.75	669,018.97	1894-95.....	1,720	421,217.87	800,927.79

The growth of membership, as distinct from the growth of the total number of employees, is a feature of prime importance in the history of the enterprise. The democratic principles underlying the scheme of the society look to the gradual development of a system where practically all employees will be members, and, as far as possible, all members on the same footing. Though grades of membership were created, this was done only to insure that the management of affairs should be in the older and more competent hands. There has not been manifested the slightest desire on the part of the associés to restrict their number,

but, on the other hand, those in the lower grades have always been encouraged to fulfill the conditions necessary for their admittance to a higher class. The kind of organization aimed at is one where all the members of the society would be associés, and therefore participate on an equality in the management of affairs and in the profits. The following tables showing the mutation of membership are of the greatest interest, indicating as they do the steady carrying out of the ideas for which the society stands pledged:

MEMBERS ENTERING AND LEAVING THE FAMILISTÈRE SOCIETY OF GUISE, 1879-80 TO 1894-95

Year.	Associés.			Sociétaires.			Participants.			Total mem- bers.	Auxil- iaires.	Total em- ploy- ees.	Intér- essés.
	Ad- mit- ted.	Leav- ing.	Num- ber.	Ad- mit- ted.	Leav- ing.	Num- ber.	Ad- mit- ted.	Leav- ing.	Num- ber.				
1879-80.....	46	.....	46	62	.....	62	442	.....	442	550	1, 133	1, 683	314
1880-81.....	11	2	55	11	8	65	120	16	546	666	911	1, 577	153
1881-82.....	8	2	61	14	9	a 71	38	.....	a 561	693	800	1, 493	153
1882-83.....	12	5	68	47	13	a 104	112	96	577	749	652	1, 401	193
1883-84.....	5	.....	73	57	13	148	69	75	571	792	656	1, 448	209
1884-85.....	13	3	83	60	20	188	64	92	543	814	553	b 1, 347	222
1885-86.....	11	2	92	37	21	a 207	41	73	a 514	813	727	1, 540	206
1886-87.....	3	2	93	16	18	a 209	23	43	a 491	b 786	743	b 1, 526	234
1887-88.....	13	4	102	67	19	a 250	52	79	464	816	875	1, 691	256
1888-89.....	31	2	131	53	40	263	68	87	a 525	919	962	1, 881	309
1889-90.....	42	1	172	44	58	249	138	98	565	986	782	1, 768	297
1890-91.....	30	1	201	22	38	233	58	59	564	998	715	1, 713	307
1891-92.....	21	6	216	25	30	228	47	67	544	988	718	1, 706	327
1892-93.....	28	8	236	20	38	210	68	42	570	1, 016	708	1, 724	348
1893-94.....	31	3	264	51	47	214	68	102	536	1, 014	662	1, 676	379
1894-95.....	21	8	277	29	34	209	71	52	555	1, 041	679	1, 720	385

a These figures do not balance. They are given, however, as published by the society.  
b This total does not equal the sum of the items. The figures are given, however, as published by the society.

PER CENT OF EACH CLASS OF MEMBERS OF TOTAL MEMBERS AND OF TOTAL EMPLOYEES OF THE FAMILISTÈRE SOCIETY OF GUISE, 1879-80 TO 1894-95.

Year.	Associés.			Sociétaires		
	Num- ber.	Per cent of total members.	Per cent of total em- ployees.	Num- ber.	Per cent of total members.	Per cent of total em- ployees.
1879-80 .....	46	8.37	2.73	62	11.27	3.69
1880-81 .....	55	8.26	3.49	65	9.76	4.12
1881-82 .....	61	8.80	4.09	71	10.25	4.76
1882-83 .....	68	9.08	4.85	104	13.88	7.42
1883-84 .....	73	9.22	5.04	148	18.69	10.22
1884-85 .....	83	10.20	a 6.16	188	23.09	a 13.96
1885-86 .....	92	11.32	5.97	207	25.46	13.44
1886-87 .....	93	a 11.83	a 6.09	209	a 26.59	a 13.70
1887-88 .....	102	12.50	6.03	250	30.64	14.79
1888-89 .....	131	14.25	6.97	263	28.62	13.98
1889-90 .....	172	17.45	9.73	249	25.25	14.08
1890-91 .....	201	20.14	11.73	233	23.35	13.60
1891-92 .....	216	21.86	12.66	228	23.08	13.36
1892-93 .....	236	23.23	13.69	210	20.67	12.18
1893-94 .....	264	26.04	15.75	214	21.10	12.77
1894-95 .....	277	26.61	16.10	209	20.08	12.15

a Based on totals given; see note b.



## PER CENT OF EACH CLASS OF MEMBERS OF TOTAL MEMBERS AND OF TOTAL EMPLOYEES OF THE FAMILISTÈRE SOCIETY OF GUISE, ETC.—Concluded.

Year.	Participants.			All members.			Auxiliaires.		Total employees.
	Number.	Per cent of total members.	Per cent of total employees.	Number.	Per cent of total members.	Per cent of total employees.	Number.	Per cent of total employees.	
1879-80 .....	442	80.36	26.26	550	100	32.68	1,133	67.32	1,683
1880-81 .....	546	81.98	34.62	666	100	42.23	911	57.77	1,577
1881-82 .....	561	80.95	37.57	693	100	46.42	800	53.58	1,493
1882-83 .....	577	77.04	41.19	749	100	53.46	652	46.54	1,401
1883-84 .....	571	72.09	39.44	792	100	54.70	656	45.30	1,448
1884-85 .....	543	66.71	<i>a</i> 40.31	814	100	<i>a</i> 60.43	553	<i>a</i> 41.05	<i>b</i> 1,347
1885-86 .....	514	63.22	33.38	813	100	52.79	727	47.21	1,540
1886-87 .....	491	<i>a</i> 62.47	<i>a</i> 32.18	<i>b</i> 786	100	<i>a</i> 51.51	743	<i>a</i> 48.69	<i>b</i> 1,526
1887-88 .....	464	56.86	27.44	816	100	48.26	875	51.74	1,691
1888-89 .....	525	57.13	27.91	919	100	48.86	962	51.14	1,881
1889-90 .....	565	57.30	31.96	986	100	55.77	782	44.23	1,768
1890-91 .....	564	56.51	32.93	998	100	58.26	715	41.74	1,713
1891-92 .....	544	55.06	31.89	988	100	57.91	718	42.09	1,706
1892-93 .....	570	56.10	33.06	1,016	100	58.93	708	41.07	1,724
1893-94 .....	536	52.86	31.98	1,014	100	60.50	662	39.50	1,676
1894-95 .....	555	53.31	32.27	1,041	100	60.52	679	39.48	1,720

*a* Based on totals given; see note *b*.

*b* This total does not equal the sum of the items. The figures are given, however, as published by the society.

From these tables it can be seen that, while the total number of employees has remained nearly constant, the number of members has constantly increased, and this increase has been almost wholly in the upper classes. The participants have gained on the auxiliaires, the sociétaires on the participants, and the associés on the sociétaires. Another important consideration in this connection is that of the stability of the corps of employees. Statistics on this point are almost the only ones available for determining the extent to which the advantages of a particular establishment are appreciated. In the accompanying table, showing the number and percentage of employees by the number of years employed by the society, the figures for the factories of Guise and Laeken and the familistères are left independent. Of the three the figures for the factory of Guise are of the greatest significance, as the factory of Laeken has not been in operation for so long a time, and the employees about the familistères are mostly women, among whom a great stability is not to be expected.

Of the total employees at Guise, as shown in the table, only about one-third have been employed less than ten years. Ten years may be taken as a fair standard by which to judge of stability. If men continue in the same employ that length of time they are not apt to make a voluntary change. A statement, therefore, in which 67 per cent of all employees have been employed ten years or over shows great stability; for it should be remembered that included among those employed a shorter length of time are a great many youths whose ages render it impossible for them to have been employed ten years.

## NUMBER AND PER CENT OF EMPLOYEES JULY 1, 1891, BY YEARS OF SERVICE.

Years of service.	Factory at Guise.		Factory at Laeken.		Famillistères.		Total.	
	Num-ber.	Per cent.	Num-ber.	Per cent.	Num-ber.	Per cent.	Num-ber.	Per cent.
Less than 5 .....	227	19. 29	128	48. 67	70	53. 03	425	27. 03
5 and less than 10.....	156	13. 25	64	24. 34	23	17. 43	243	15. 46
10 and less than 15.....	245	20. 82	26	9. 89	15	11. 36	286	18. 19
15 and less than 20.....	154	13. 08	20	7. 60	7	5. 30	181	11. 51
20 and less than 25.....	194	16. 48	11	4. 18	6	4. 55	211	13. 42
25 and less than 30.....	96	8 16	10	3. 80	7	5. 30	113	7. 19
30 and less than 35.....	66	5. 61	3	1. 14	3	2. 27	72	4. 58
35 and less than 40.....	36	3. 06	1	. 38	1	. 76	38	2. 42
40 and over .....	3	. 25	.....	.....	.....	.....	3	. 19
Total .....	1, 177	100. 00	263	100. 00	132	100. 00	α 1, 572	100. 00

α This total does not agree with the total employees shown for 1890-91, pages 579 to 581. The explanation is not known. The figures in both cases are as published by the society.

The financial results of the workings of the society will naturally excite the greatest interest. The industry carried on by the society is one offering no especial advantages for its conduct on a cooperative basis, and its successful application here furnishes a valuable demonstration of the practicability of cooperation where a firm basis for its introduction has been previously laid. In this case the first important class of facts is that concerning the success achieved by the society in the replacing of founder's certificates by those of its own. The accompanying table shows the condition of the account at the end of each fiscal year. The present time is a peculiarly opportune one in which to make this study, for at the close of the year, June 30, 1894, the last founder's certificate was purchased and canceled, and the society thus accomplished the work of completely paying for its plant. This fact marks an important epoch in the history of the society. Prior to that date all the profits were devoted to the purchase of founder's certificates, and the actual members of the society received only association certificates, which merely entitled the holder to the interest they earned and the prospect of their redemption in the future. It was thus not until the year 1894-95 that the members began to have their profits paid in cash. As has been explained before, this payment is made in the way of the redemption of the earliest issues of certificates. It will be seen from the table showing the financial operations of the society that there were realized during the year ending June 30, 1895, gross profits to the amount of 880,382.38 francs (\$169,913.80). After the payment of the statutory charges for insurance, education, etc., the sum of 287,602.01 francs (\$55,507.19) net profits remained for distribution. Of this amount 46,201.01 francs (\$8,916.80) were applied to various uses as required by the statutes, and 241,401 francs (\$46,590.39) were devoted to the redemption of the association certificates first issued. In addition to this there was available from the profits of former years the sum of 8,550 francs (\$1,650.15) which could be applied to the same purpose, making a total of 249,951 francs (\$48,240.54) which



were used for the redemption of old association certificates during the year 1894-95. The general manager in his annual report thus comments upon this date in the society's history: "We have now entered upon the regular disbursement in cash of the net profits realized by the association. We have occasion to be satisfied with this result. After fifteen years of existence under the direction of our lamented founder and his successor we have repaid the 4,600,000 francs (\$887,800) of founder's certificates, which are now entirely transformed into association certificates held by the workingmen themselves. We have, in addition, constituted a reserve fund of 460,000 francs (\$88,780), and with the profits realized during the past year are about to redeem early issues of association certificates to the amount of 249,951 francs (\$48,240.54)."

VALUE OF FOUNDER'S AND ASSOCIATION CERTIFICATES OF THE FAMILISTÈRE SOCIETY OF GUISE, 1880-81 TO 1894-95.

Year.	Founder's certificates canceled and replaced by association certificates.	Certificates outstanding at end of year.		
		Association certificates.	Founder's certificates.	Total.
1880-81.....	\$86,534.64	\$86,534.64	\$801,265.36	\$887,800.00
1881-82.....	115,784.09	202,318.73	685,481.27	887,800.00
1882-83.....	89,030.21	291,348.94	596,451.06	887,800.00
1883-84.....	88,717.47	380,066.41	507,733.59	887,800.00
1884-85.....	43,094.58	423,160.99	464,639.01	887,800.00
1885-86.....	47,399.06	470,560.05	417,239.95	887,800.00
1886-87.....	20,023.37	490,583.42	397,216.58	887,800.00
1887-88.....	40,102.70	530,686.12	357,113.88	887,800.00
1888-89.....	78,954.37	609,640.49	278,159.51	887,800.00
1889-90.....	86,307.86	695,948.35	191,851.65	887,800.00
1890-91.....	57,183.00	753,131.35	134,668.65	887,800.00
1891-92.....	23,706.58	776,837.93	110,962.07	887,800.00
1892-93.....	27,640.50	804,478.43	83,321.57	887,800.00
1893-94.....	41,098.19	845,576.62	42,223.38	887,800.00
1894-95.....	42,223.38	887,800.00	.....	887,800.00

In the following series of tables the attempt has been made to make an elaborate analysis of the financial operations of the society since its foundation. They have been compiled directly from the financial reports of the society, the effort being made to so present the facts as to indicate first the receipts and then to trace their application to the various items of expenses and profits. There is given, therefore, first a statement of gross receipts, and then the expenses divided into the two classes of wages and other expenditures. The amount remaining after deducting total expenses from total receipts constitutes gross profits of operation. From this are deducted the fixed charges for depreciation, social work, education, and interest on certificates. The remainder constitutes net profits. The apportionment of these net profits is then shown in detail. A complete financial history of the society is given in these tables. From them it is possible to know exactly how much has been earned and the disposition of receipts to the minutest details.

## RECEIPTS OF THE FAMILISTÈRE SOCIETY OF GUISE, 1879-80 TO 1894-95.

Year.	From indus- try proper.	From social institutions, rents, etc.	Total.	Year.	From indus- try proper.	From social institutions, rents, etc.	Total.
1879-80...	\$764,581.97	\$88,463.61	\$853,045.58	1887-88...	\$848,178.10	\$110,632.53	\$958,810.63
1880-81...	963,450.13	95,793.36	1,059,243.49	1888-89...	742,329.30	131,747.49	874,076.79
1881-82...	881,756.68	98,425.26	980,181.94	1889-90...	792,703.70	150,661.27	943,364.97
1882-83...	787,503.23	97,099.78	884,603.01	1890-91...	794,859.21	178,807.26	973,666.47
1883-84...	679,465.88	91,090.04	770,555.92	1891-92...	791,993.08	199,319.92	991,313.00
1884-85...	668,851.82	101,503.76	770,355.58	1892-93...	768,324.89	192,122.12	960,447.01
1885-86...	680,326.04	106,684.62	787,010.66	1893-94...	774,816.48	191,009.75	965,826.23
1886-87...	669,018.97	107,818.33	776,837.30	1894-95...	800,927.79	196,281.02	997,208.81

EXPENDITURES AND GROSS PROFITS OF THE FAMILISTÈRE SOCIETY OF GUISE,  
1879-80 TO 1894-95.

Year.	Wages.			Other expendi- tures.	Total expendi- tures.	Gross profits.		
	Employees of indus- trial estab- lishments.	Employees of social institu- tions.	Total.			Industrial establis- hments.	Social in- stitutions.	Total.
1879-80.....	\$282,516.11	\$12,451.70	\$294,967.81	\$360,928.50	\$655,896.31	\$181,988.91	\$15,160.36	\$197,149.27
1880-81.....	348,702.74	12,850.28	361,553.02	457,891.80	819,444.82	224,181.25	15,617.42	239,798.67
1881-82.....	375,425.38	12,755.76	388,181.14	393,195.13	781,376.27	182,464.62	16,341.05	198,805.67
1882-83.....	350,111.08	14,243.81	364,354.89	339,207.14	703,562.03	165,094.16	15,946.82	181,040.98
1883-84.....	334,228.28	15,917.62	350,145.90	285,373.97	635,519.87	117,958.29	17,077.76	135,036.05
1884-85.....	333,544.48	18,454.79	351,999.27	275,041.56	627,040.83	122,019.15	21,295.60	143,314.75
1885-86.....	324,737.60	19,158.69	343,896.29	318,000.55	661,896.84	103,275.29	21,838.53	125,113.82
1886-87.....	318,790.50	19,638.25	338,428.75	287,719.07	626,147.82	133,826.59	16,862.89	150,689.48
1887-88.....	355,071.41	18,931.60	374,003.01	416,143.69	790,146.70	149,969.69	18,694.24	168,663.93
1888-89.....	402,623.17	18,875.12	421,498.29	268,726.53	690,224.82	162,261.82	21,590.15	183,851.97
1889-90.....	387,366.75	18,337.76	405,704.51	383,743.58	789,448.09	125,826.07	28,090.81	153,916.88
1890-91.....	396,624.89	20,363.42	416,988.31	432,862.61	849,850.92	91,312.81	32,502.74	123,815.55
1891-92.....	408,041.20	21,461.29	429,502.49	423,284.16	852,786.65	102,484.80	36,041.55	138,526.35
1892-93.....	387,691.26	21,243.39	408,934.65	398,499.17	807,433.82	118,562.61	34,450.58	153,013.19
1893-94.....	389,402.12	20,951.99	410,354.11	394,431.75	804,785.86	124,337.86	36,702.51	161,040.37
1894-95.....	399,449.73	21,768.14	421,217.87	406,077.14	827,295.01	134,204.56	35,709.24	169,913.80

STATUTORY CHARGES, ETC., PAID BY THE FAMILISTÈRE SOCIETY OF GUISE AND  
NET PROFITS REMAINING, 1879-80 TO 1894-95.

Year.	Deprecia- tion.	Social in- stitutions.	Distrib- uted to purchasers at cooper- ative stores.	Educa- tion.	Interest on capital stock.	Total.	Net profits remain- ing for distribu- tion.
1879-80.....	\$38,543.72	-----	-----	\$3,680.85	\$44,390.00	\$86,614.57	\$110,534.70
1880-81.....	27,399.42	-----	-----	3,778.12	44,390.00	75,567.54	164,231.13
1881-82.....	27,401.53	\$960.75	-----	4,822.89	44,390.00	77,575.17	121,230.50
1882-83.....	29,829.20	830.48	\$2,232.24	6,636.99	44,390.00	83,918.91	97,122.07
1883-84.....	38,142.90	795.16	2,719.92	6,484.50	44,390.00	92,532.48	42,503.57
1884-85.....	37,567.27	562.98	3,699.98	6,161.54	44,390.00	92,381.77	50,932.98
1885-86.....	47,971.40	545.03	3,965.80	6,064.30	44,390.00	102,936.53	22,177.29
1886-87.....	48,830.14	806.93	4,003.46	5,702.23	44,390.00	103,732.76	46,956.72
1887-88.....	20,716.45	901.50	4,030.40	5,880.78	44,390.00	75,919.13	92,744.80
1888-89.....	22,424.39	899.99	9,753.06	5,707.81	44,390.00	83,174.25	100,677.72
1889-90.....	24,237.90	614.90	13,247.35	6,432.25	44,390.00	88,922.40	64,994.48
1890-91.....	31,562.72	3,337.14	16,403.91	6,803.03	44,390.00	102,496.80	21,318.75
1891-92.....	34,190.36	4,362.22	18,486.48	6,845.76	44,390.00	108,274.82	30,251.53
1892-93.....	32,083.07	6,824.69	17,216.91	6,843.39	44,390.00	107,358.06	45,655.13
1893-94.....	31,890.66	8,899.31	18,563.58	6,618.65	44,390.00	110,362.20	50,678.17
1894-95.....	32,266.38	12,168.72	18,899.79	6,681.72	44,390.00	114,406.61	55,507.19



APPORTIONMENT OF NET PROFITS OF THE FAMILISTÈRE SOCIETY OF GUISE,  
1879-80 TO 1894-95.

Year.	Wage earners.						Capital stock.
	Associés.	Sociétaires.	Partici- pants.	Appren- tices reserved.	Insurance fund.	Total.	
1879-80 .....	\$6,204.95	\$4,559.82	\$21,138.13	\$5,846.36	\$10,815.25	\$48,564.51	\$6,702.89
1880-81 .....	9,248.17	6,005.97	26,839.74	2,861.42	28,903.68	73,858.98	.8,256.54
1881-82 .....	8,358.06	5,409.98	22,963.95	1,826.89	25,597.51	64,156.39	6,658.50
1882-83 .....	10,132.11	7,566.37	25,206.38	1,692.42	21,164.00	65,761.28	7,080.20
1883-84 .....	4,649.63	4,989.44	10,868.16	1,024.23	7,207.98	28,739.44	3,138.37
1884-85 .....	6,181.89	7,653.55	11,987.72	1,273.36	7,457.24	34,553.76	3,645.96
1885-86 .....	2,976.64	3,613.15	5,043.09	591.93	2,810.08	15,034.89	1,598.04
1886-87 .....	6,266.13	8,268.31	10,224.37	1,304.10	5,754.30	31,817.21	3,400.27
1887-88 .....	12,159.58	17,413.62	17,973.32	2,754.49	13,140.60	63,441.61	6,116.94
1888-89 .....	20,663.16	18,833.52	11,426.18	2,330.67	16,643.55	69,897.68	5,611.28
1889-90 .....	15,303.55	12,779.69	8,718.77	2,292.84	5,988.79	45,083.64	3,662.18
1890-91 .....	5,266.97	3,687.84	2,914.69	900.15	2,052.75	14,822.40	1,166.68
1891-92 .....	7,536.65	5,184.37	4,110.13	1,032.16	3,214.03	21,077.34	1,611.35
1892-93 .....	12,286.38	7,215.30	6,473.61	1,711.91	4,038.33	31,725.53	2,515.76
1893-94 .....	13,948.88	8,452.65	6,772.18	2,272.00	3,806.92	35,252.03	2,756.62
1894-95 .....	15,351.61	8,999.01	7,427.02	2,634.45	4,266.46	38,678.55	2,951.94

Year.	Reserve fund.	Directors.					Total net profits.
		General managers.	Boards of managers and over-seers.	Education fund.	Pupils in State schools.	Working-men for special services.	
1879-80 .....	\$27,633.67	\$13,264.12	\$12,158.81	.....	.....	\$2,210.70	\$110,534.70
1880-81 .....	41,057.82	19,707.72	18,065.41	.....	.....	3,284.63	a 164,231.13
1881-82 .....	20,088.50	14,547.66	13,335.53	.....	.....	2,424.72	a 121,230.50
1882-83 .....	.....	11,654.69	10,683.51	.....	.....	1,942.39	97,122.07
1883-84 .....	.....	5,100.41	4,675.23	.....	.....	850.12	42,503.57
1884-85 .....	.....	6,111.92	5,602.60	.....	.....	1,018.74	50,932.98
1885-86 .....	.....	887.03	3,326.36	\$665.46	\$222.00	443.51	22,177.29
1886-87 .....	.....	1,878.28	7,043.53	1,408.71	469.58	939.14	46,956.72
1887-88 .....	.....	3,709.84	13,911.83	2,782.29	927.36	1,854.93	92,744.80
1888-89 .....	.....	4,026.94	15,101.86	3,020.26	1,006.69	2,013.61	100,677.72
1889-90 .....	.....	2,599.71	9,749.59	1,949.30	650.02	1,300.04	64,994.48
1890-91 .....	.....	852.67	3,197.82	639.60	213.27	426.31	21,318.75
1891-92 .....	.....	1,210.11	4,537.82	907.49	302.43	604.99	30,251.53
1892-93 .....	.....	1,826.17	6,848.22	1,369.72	456.65	913.08	45,655.13
1893-94 .....	.....	2,027.08	7,602.27	1,520.07	506.47	1,013.63	50,678.17
1894-95 .....	.....	2,220.27	8,326.02	1,665.20	555.07	1,110.14	55,507.19

a This total does not equal the sum of the items. The explanation is not known. The figures are given as furnished by the society.

It is apparent, from an inspection of these tables, that the item of "net profits" is somewhat misleading, if this is meant to indicate the earnings of the enterprise over and above operating expenses. Gross profits plus the amount paid in wages constitute the real earnings. Thus, if the last year (1894-95) be taken, it will be seen that the total receipts amounted to 5,166,885.04 francs (\$997,208.81). Taking from this the item of 2,104,026.61 francs (\$406,077.14), the amount of operating expenses other than wages, and 230,000 francs (\$44,390) interest on capital, there remains the sum of 2,832,858.43 francs (\$546,741.67) to be distributed either in the way of wages or social expenditures or cash profits. There was paid to auxiliaires as wages the sum of 332,806.45 francs (\$64,231.64). If this be subtracted there remain 2,500,051.98 francs (\$482,510.03) for distribution among the members proper. The total number of members in that year was 1,041. If there had been an equal division, each would have earned 2,401.59



francs (\$463.51). The scheme, however, as has been shown, by no means contemplates an equal division.

The members of the society, as previously stated, are divided into *associés*, *sociétaires*, and participants, each class participating to a different extent in net profits. Furthermore, it should be noted that the higher positions are, in general, held by the *associés* and those next in importance by the *sociétaires*, so that these classes not only share in profits to a greater extent than the participants, but receive the higher wages. In other words, the system does not include any scheme of equal division of profits, but provides for a systematic attempt to divide benefits in accordance with the length of service of each member, his skill, and the economy which he has displayed in the conservation of his capital.

Were it possible to do so, it would be exceedingly interesting to show the average amounts received each year by members of each class from each particular source of wages, profits, interest, or other participation and the total value of these benefits. Unfortunately the complication of elements involved, such for instance as the fact that members are constantly passing from one class to another, renders it impossible to make such a reduction. Nevertheless it has been possible to construct the following table, which, though partly hypothetical, is yet for the most part based on the actual work of the society, and gives information on this point of almost as great value and accuracy as if the actual average could be obtained.

The three cases are taken of a member entering the society as an *associé*, as did a number of the original members, of a member entering as a *sociétaire*, and after the constitutional limit of five years becoming an *associé*, and of a member entering as a participant, and after the constitutional limit of three and five years, respectively, becoming a *sociétaire* and then an *associé*. It is presumed that he earns during the whole time an average salary of 5.50 francs (\$1.06) per day during 300 working days, or 1,650 francs (\$318.45) per year. Though the rate of 5.50 francs (\$1.06) per day is higher than that earned by an average of all employees, it is only a fair average of wages of members who earn much higher wages than *auxiliaires*. The basis of 300 working days to a year is also eminently fair, as during the period covered the actual number of days worked during the year has always exceeded this number. It is further assumed that none of the certificates received in the way of profits are disposed of, a legitimate assumption, for it is undoubtedly true that certificates are thus retained in the majority of cases; their transference to an outside party is rarely permitted by the society, and if transferred to a fellow member the table would still represent the average case that it purports to do. Starting, then, with this case of a member receiving an average rate of wages, working an average number of days, and passing through each of the three possible phases of membership, it is an easy matter, knowing the rate of profits declared, to trace his economic condition from year to year.



Though the method of apportionment of profits has already been described at length, a few words of further explanation in connection with the actual results obtained will be of use. The receipts of a member from the operations of the society consist of: (1) His wages; (2) the amount of profits apportioned to his wages; (3) the amount of profits apportioned to the certificates of stock owned by him; (4) 5 per cent interest on such certificates; (5) participation in the social institutions maintained by the society, chiefly insurance and old-age pensions and schooling; (6) profits realized by the cooperative store, if patronized by him. In the table, however, only those benefits derived in the way of wages, profits, and interest are considered, as it would be difficult to accurately estimate the value of the other benefits, though they amount to a no insignificant sum. As the receipts of members consist partly of cash and partly of certificates of association stock, the economic condition of a member is represented by both the amount of actual money received each year and the increase in the amount of his certificates. The two columns giving the total cash income during the year and the amount of capital possessed at the end of the year represent, therefore, the summary of the direct pecuniary advantages enjoyed by members.

ESTIMATED PROFITS, CASH RECEIPTS, AND CAPITAL OF A MEMBER OF THE  
FAMILISTÈRE SOCIETY OF GUISE, 1879-80 TO 1894-95.

ENTERING AS AN ASSOCIÉ.

Year.	Yearly wages.	Profit-sharing value of wages.	Rate per cent of profits.	Profits earned by wages.	Capital stock at end of year.	Profits on capital stock.		Interest on capital (5 per cent).	Total cash income during year.
						Per cent.	Amount.		
1879-80 ....	\$318.45	\$636.90	15.10	\$96.17	\$96.17	.....	.....	.....	\$318.45
1880-81 ....	318.45	636.90	18.60	118.46	214.63	.93	\$0.89	\$4.81	324.15
1881-82 ....	318.45	636.90	15.00	95.54	310.17	.75	1.61	10.73	330.79
1882-83 ....	318.45	636.90	15.95	101.59	411.76	.80	2.48	15.51	336.44
1883-84 ....	318.45	636.90	7.07	45.03	456.79	.35	1.44	20.59	340.48
1884-85 ....	318.45	636.90	8.21	52.29	509.08	.41	1.87	22.84	343.16
1885-86 ....	318.45	636.90	3.60	22.93	532.01	.18	.92	25.45	344.82
1886-87 ....	318.45	636.90	7.66	48.79	580.80	.38	2.02	26.60	347.07
1887-88 ....	318.45	636.90	13.68	87.13	667.93	.69	4.01	29.04	351.50
1888-89 ....	318.45	636.90	12.64	89.50	748.43	.63	4.21	33.40	356.06
1889-90 ....	318.45	636.90	8.25	52.54	800.97	.41	3.07	37.42	358.94
1890-91 ....	318.45	636.90	2.62	16.69	817.66	.13	1.04	40.05	359.54
1891-92 ....	318.45	636.90	3.63	23.12	840.78	.18	1.47	40.88	360.80
1892-93 ....	318.45	636.90	5.67	36.11	876.89	.28	2.35	42.04	362.84
1893-94 ....	318.45	636.90	6.21	39.55	916.44	.31	2.72	43.84	365.01
1894-95 ....	318.45	636.90	6.65	42.35	916.44	.33	3.03	45.82	409.65

ENTERING AS A SOCIÉTAIRE.

1879-80 ....	318.45	477.68	15.10	72.13	72.13	.....	.....	.....	318.45
1880-81 ....	318.45	477.68	18.60	88.85	160.98	.93	.67	3.61	322.73
1881-82 ....	318.45	477.68	15.00	71.65	232.63	.75	1.21	8.05	327.71
1882-83 ....	318.45	477.68	15.95	76.19	308.82	.80	1.86	11.63	331.94
1883-84 ....	318.45	477.68	7.07	33.77	342.59	.35	1.08	15.44	334.97
1884-85 ....	318.45	636.90	8.21	52.29	394.88	.41	1.40	17.13	336.98
1885-86 ....	318.45	636.90	3.60	22.93	417.81	.18	.71	19.74	338.90
1886-87 ....	318.45	636.90	7.66	48.79	466.60	.38	1.59	20.89	340.93
1887-88 ....	318.45	636.90	13.68	87.13	553.73	.69	3.22	23.33	345.00
1888-89 ....	318.45	636.90	12.64	80.50	634.23	.63	3.49	27.69	349.63
1889-90 ....	318.45	636.90	8.25	52.54	686.77	.41	2.60	31.71	352.76
1890-91 ....	318.45	636.90	2.62	16.69	703.46	.13	.89	34.34	353.68
1891-92 ....	318.45	636.90	3.63	23.12	726.58	.18	1.27	35.17	354.89
1892-93 ....	318.45	636.90	5.67	36.11	762.69	.28	2.03	36.33	356.81
1893-94 ....	318.45	636.90	6.21	39.55	802.24	.31	2.36	38.13	358.94
1894-95 ....	318.45	636.90	6.65	42.35	802.24	.33	2.65	40.11	403.56



## ESTIMATED PROFITS, CASH RECEIPTS, AND CAPITAL, ETC.—Concluded.

## ENTERING AS A PARTICIPANT.

Year.	Yearly wages.	Profit-sharing value of wages.	Rate per cent of profits.	Profits earned by wages.	Capital stock at end of year.	Profits on capital stock.		Interest on capital (5 per cent).	Total cash income during year.
						Per cent.	Amount.		
1879-80 ....	\$318.45	\$318.45	15.10	\$48.09	\$48.09	.....	.....	.....	\$318.45
1880-81 ....	318.45	318.45	18.60	59.23	107.32	.93	\$0.45	\$2.40	321.30
1881-82 ....	318.45	318.45	15.00	47.77	155.09	.75	.80	5.37	324.62
1882-83 ....	318.45	477.68	15.95	76.19	231.28	.80	1.24	7.75	327.44
1883-84 ....	318.45	477.68	7.07	33.77	265.05	.35	.81	11.56	330.82
1884-85 ....	318.45	477.68	8.21	39.22	304.27	.41	1.09	13.25	332.79
1885-86 ....	318.45	477.68	3.60	17.20	321.47	.18	.55	15.21	334.21
1886-87 ....	318.45	477.68	7.66	36.59	358.06	.38	1.22	16.07	335.74
1887-88 ....	318.45	636.90	13.68	87.13	445.19	.69	2.47	17.90	338.82
1888-89 ....	318.45	636.90	12.64	80.50	525.69	.63	2.80	22.26	343.51
1889-90 ....	318.45	636.90	8.25	52.54	578.23	.41	2.16	26.28	346.89
1890-91 ....	318.45	636.90	2.62	16.69	594.92	.13	.75	28.91	348.11
1891-92 ....	318.45	636.90	3.63	23.12	618.04	.18	1.07	29.75	349.27
1892-93 ....	318.45	636.90	5.67	36.11	654.15	.28	1.73	30.90	351.08
1893-94 ....	318.45	636.90	6.21	39.55	693.70	.31	2.02	32.71	353.18
1894-95 ....	318.45	636.90	6.65	42.35	693.70	.33	2.29	34.69	397.78

The table just given is probably of greater interest than any other in the report, for it shows in the most precise and direct way the financial results of the society from the standpoint of the individuals making up its membership. It should be distinctly understood that this table does not represent merely a possible case, but substantially the experience of the majority of the members of the society.

The present time, as has been said, is one especially favorable for making a computation such as has been done in this table; for with the year 1893-94 came to an end the period covered by the first phase of the society's history—that during which the founder's certificates were being extinguished—and the figures for 1894-95 show the results of the operations of the society under the new régime.

There is an essential difference between these two periods. During the first the member received in cash only his wages and the interest and profits earned by the certificates held by him, the profits earned by his wages being paid in certificates. The accumulation of capital by him during this period was in a way compulsory. In 1894, however, the last of the founder's certificates were canceled and replaced by association certificates. Henceforth, therefore, the accumulation of capital ceased, for though profits on wages are still apportioned in new certificates, the old certificates are retired to a like amount. The cash receipts of members are now augmented by the repayment of the certificates issued to them during the first years of their connection with the society. Thus, for example, the member who in 1893-94 received in cash but his wages, 1,650 francs (\$318.45), the profits earned by his capital, 14.09 francs (\$2.72), and the interest on his capital, 227.17 francs (\$43.84), or a total of 1,891.26 francs (\$365.01), received in cash in 1894-95 his wages, 1,650 francs (\$318.45), his profits on capital, 15.67 francs (\$3.03), his interest on capital, 237.42 francs (\$45.82), and in addition the sum of 219.45 francs (\$42.35) profits earned by his wages



and paid in cash for the surrender of an equal amount of his early issues of certificates, which latter were then reissued to him as certificates of 1894-95, or a total of 2,122.54 francs (\$409.65). While cash receipts are now much greater than during the first period, the amount of capital owned by the members must remain the same, or 4,600,000 francs (\$887,800). Should the operations of the society increase in importance the actual value of these certificates will of course be greatly increased, or the society is permitted by its constitution to further increase the amount of its capital stock.

Turning now to the general results as shown in these tables, the showing can not but be considered as evidencing a remarkable success from the standpoint of an effort to carry on an important industrial establishment on a cooperative plan and entirely for the benefit of the workmen there employed. It shows that, according to the actual results achieved, a workingman entering in 1879 at the lowest grade of membership, or as a participant, and then becoming successively a *sociétaire* and an *associé* after the statutory length of connection with the society, and receiving during this period the average wages of 1,650 francs (\$318.45), has had his cash income increased each year from the original sum of 1,650 francs (\$318.45) to 1,829.97 francs (\$353.18) in 1893-94, during which time he has also acquired certificates of stock to the value of 3,594.28 francs (\$693.70), and that he starts upon the new régime with this amount of capital and receives 2,061.03 francs (\$397.78) in cash. If he has entered the society as a *sociétaire* or an *associé*, his receipts and the amount of his capital would be still greater. This increase can be due only to a slight extent to the greater prosperity of the industrial work of the society, as gross profits have by no means increased in an equal ratio. The increase in the total receipts of individual members as shown in this table has been, therefore, entirely due to the fact that more and more they have become the owners of the works in which they are employed; and their receipts as owners of capital figure to a constantly increasing extent. The same average wages have, in order to simplify the calculation, been maintained throughout the table. The chances are that the member would have earned considerably greater wages than this during the more recent years, in which case, of course, his receipts would be correspondingly greater. The important point should also be noticed in this connection that these results do not apply only to a selected few. The table giving the increase in membership shows that not only the total but the higher classes of membership are constantly increasing—a greater and greater number thus becoming capital owners and participants in profits.

In addition to this it should be remembered that all members, including even *auxiliaires*, are at the same time acquiring a right to an old age pension that ultimately will represent a decided addition to the benefits derived from their connection with the society. The

following table shows the minimum income a representative of each class would enjoy after his retirement on account of old age:

MINIMUM ANNUAL INCOME OF MEMBERS OF THE FAMILISTÈRE SOCIETY OF GUISE, RETIRED ON ACCOUNT OF OLD AGE.

Kind of member.	Years of service.	Annual income.			Kind of member.	Years of service.	Annual income.		
		Minimum pension.	Dividends and interest on capital stock.	Total.			Minimum pension.	Dividends and interest on capital stock.	Total.
Associé .....	15	\$176.02	\$56.62	\$232.64	Participant.	15	\$70.45	\$44.27	\$114.72
	20	176.02	75.48	251.50		20	105.67	63.13	168.80
	25	176.02	94.34	270.36		25	140.89	81.99	222.88
	30	176.02	113.20	289.22		30	176.02	100.85	276.87
	35	176.02	132.06	308.08		35	176.02	119.71	295.73
Sociétaire ...	15	140.89	50.29	191.18	Auxiliaire..	15	70.45	.....	70.45
	20	140.89	69.15	210.04		20	105.67	.....	105.67
	25	140.89	88.01	228.90		25	140.89	.....	140.89
	30	176.02	106.86	282.88		30	176.02	.....	176.02
	35	176.02	125.72	301.74		35	176.02	.....	176.02

The fixing of wages in a cooperative concern is a matter of peculiar importance; for their determination being made by the members themselves, they can elect to receive their awards either in the way of increased wages or larger profits. The retention of the wages system, and the necessity on the part of the society to employ workingmen who are not members, checks, at Guise, any tendency to fix wages unduly high. Nevertheless, since the creation of the society the rate of wages has shown a constant tendency to rise. This is shown in the table that follows. In order to show that this rise is not due to the fact that a larger proportion of skilled workmen (and therefore more highly paid) are employed than formerly, the average daily wages earned each year by the ten workingmen in each of the two principal occupations of molder and setter-up receiving the highest earnings during the year are also given.

AVERAGE DAILY WAGES OF WORKINGMEN OF THE FAMILISTÈRE SOCIETY OF GUISE, 1879-80 TO 1894-95.

Year.	Average daily wages.			Year.	Average daily wages.		
	All work- ingmen.	Ten workingmen earning highest annual wages.			All work- ingmen.	Ten workingmen earning highest annual wages.	
		Molders.	Setters- up.			Molders.	Setters- up.
1879-80.....	\$0. 84	\$1. 19	\$0. 98	1887-88.....	\$1. 03	\$1. 58	\$1. 38
1880-81.....	. 85	1. 21	1. 01	1888-89.....	1. 04	1. 59	1. 36
1881-82.....	. 87	1. 22	1. 03	1889-90.....	1. 02	1. 75	1. 35
1882-83.....	. 89	1. 26	1. 06	1890-91.....	1. 05	1. 62	1. 37
1883-84.....	. 91	1. 47	1. 08	1891-92.....	1. 00	<i>a</i> 1. 64	<i>a</i> 1. 36
1884-85.....	. 92	1. 39	1. 10	1892-93.....	1. 01	<i>a</i> 1. 63	<i>a</i> 1. 30
1885-86.....	. 95	1. 44	1. 24	1893-94.....	. 99	<i>a</i> 1. 60	<i>a</i> 1. 29
1886-87.....	1. 01	1. 50	1. 31	1894-95.....	. 99	<i>a</i> 1. 58	<i>a</i> 1. 31

a Average of the twenty workingmen earning highest annual wages.

The following table is introduced to show in greater detail the variation in the rates of wages of employees at the latest date obtainable.



An important fact is brought out by the grouping according to classes of members. The members of the higher classes—associés and sociétaires—receive much higher wages than the participants and auxiliaires, thus adding to the many other advantages they enjoy that of earning greater wages. The distinction between those paid by the month and those paid by the week is maintained because the former represents the office force, the directors of services, etc., and the latter the general run of the shop employees.

WAGES OF MEMBERS OF THE FAMILISTÈRE SOCIETY OF GUISE, BY CLASSES,  
JULY 1, 1891.

Wages per month.	Members paid by the month.					Wages per week.	Members paid by the week (workingmen proper).				
	Asso- ciés.	Socié- taires.	Par- tici- pants.	Auxil- iaires.	All classes.		Asso- ciés.	Socié- taires.	Par- tici- pants.	Auxil- iaires.	All classes.
\$3.86 to \$4.83...	.....	.....	.....	6	6	\$1.93 to \$2.90..	.....	.....	1	24	25
\$5.02 to \$6.76...	.....	1	.....	8	9	\$3.09 to \$3.86..	.....	2	2	17	21
\$6.95 to \$9.65...	.....	2	3	6	11	\$4.05 to \$4.83..	.....	3	5	19	27
\$9.84 to \$14.48..	2	9	1	13	25	\$5.02 to \$5.79..	1	.....	4	27	32
\$14.67 to \$19.30.	3	.....	3	15	21	\$5.98 to \$7.72..	.....	5	42	67	114
\$19.49 to \$24.13.	2	5	3	5	15	\$7.91 to \$9.65..	.....	6	65	55	126
\$24.32 to \$28.95.	8	8	8	2	26	\$9.84 to \$11.58.	5	9	132	131	277
\$29.14 to \$33.78.	21	6	1	1	29	\$11.77 to \$13.51.	16	28	97	59	200
\$34.97 to \$38.60.	12	6	2	1	21	\$13.70 to \$15.44.	40	53	96	59	248
\$38.79 to \$48.25.	8	6	2	.....	16	\$15.63 to \$17.37.	29	35	44	25	133
\$48.44 to \$57.90.	5	1	.....	1	7	\$17.56 to \$19.30.	22	27	35	23	107
\$58.09 to \$67.55.	.....	1	.....	.....	1	\$19.49 to \$21.23.	12	13	11	10	46
\$67.74 to \$77.20.	2	.....	.....	.....	2	\$21.42 or over..	8	6	6	.....	20
\$77.39 to \$96.50.	3	1	.....	.....	4						
\$96.69 or over..	2	.....	1	.....	3						

### SOCIAL INSTITUTIONS.

It is more than probable that M. Godin himself never realized what were the most important features of his work. Combined with great business shrewdness, Godin had a distinct leaning toward speculative philosophy. As a result, he had worked out a complete theory of the rights of man; and it was in putting into practical operation these theories that he believed he was most entitled to credit as a social reformer. These rights or principles related to the communization of all the interests of members of a society; to the grouping together of the members in large apartment or tenement houses; to the guarantee to all members, under all conditions, of a minimum amount necessary for their subsistence; to their insurance against accidents and sickness, and their pensioning in old age; to the education of the children in common—not so much because existing educational facilities were lacking as because in that way the children would be taught from their earliest years the beauties and advantages of a common habitation and life—and to the development of mutuality in every possible way. Though not at all necessary incidents to his scheme of profit sharing and cooperation, he has made them integral parts of his whole organization, and seems to have regarded them, especially the familistère idea, as the most important part of his work.

Though referred to repeatedly in the account of the workings of the



society, a description of the character and operations of these social institutions has been left to this place, as it was feared that their consideration at an earlier point would unnecessarily complicate the description of the general plan of the society. They can be grouped under four heads, each of which will be considered in turn:

1. The familistères.
2. Insurance and mutual relief.
3. Education.
4. Cooperative distribution.

### THE FAMILISTÈRES.

The familistère is the one feature of the society that has received the most notice from the outside world, and it can without hesitation be said to be the feature the least deserving of attention. The buildings of the society at Guise now comprehend, besides the factories and warehouses, seven groups of constructions, three of which are tenement houses or familistères. In the remaining groups of buildings are comprised a nursery, a theater, two schools, and a public laundry, and baths. The first and main familistère erected consists of a central building and two wings, each of which is quadrangular in form, four stories in height, and incloses a large interior court, paved and roofed over at the height of the building with glass. The second familistère is similar to one wing of the main familistère. Its court is not covered with glass, but is open to the air. The third, a much smaller building, contains no court.

The main familistère, or "social palace" as it is usually called, contains in all 299 tenements, of which 12 are one-room, 201 two-room, 75 three-room, 1 four-room, 6 five-room, 3 seven-room, and 1 eight-room tenements. The second group contains 147 tenements, of which 11 are one-room, 79 two-room, 56 three-room, and 1 five-room tenements. The third contains 19 tenements, chiefly of two and three rooms. The three familistères together contain 465 tenements, with a total of 1,091 rooms. Fifteen rooms of the main building are occupied by the grocery, clothing, drug and other stores, the library, etc. All of the tenements of the first two buildings have balconies on the court side, to which the doors open, this being the only means by which all but the corner ones are reached. The stairways are built in the interior and lead to the exterior balconies. They are placed in the corners. Each story contains separate sets of water-closets for men and women. Artesian wells furnish the water, which rises nearly to the height of the roof, and is distributed to reservoirs from which it descends in pipes having a spigot on each floor. The reservoirs hold from 8,000 to 8,700 liters (2,113 to 2,298 gallons). Good provision has been made for sewerage.

The total cost of construction of the three groups of buildings and the annexes (theater, schools, and laundry) was 2,100,218.60 francs (\$405,342.19), or for the familistères alone 1,940,816.37 francs

(\$374,577.56), or an average cost per tenement, including the annexes, of 3,743.70 francs (\$722.53), or per tenement, without annexes, of 3,459.56 francs (\$667.70).

Formerly the tenements were rented to the member who offered to pay the highest rent; but the desire of obtaining certain apartments led workmen in many cases to offer more than they could afford to pay. A change was therefore made, and apartments are now apportioned in the order of the demand made for them, after the applications have been carefully examined by the council on the management of the familistère and approved by the managing council. The rents are by the month and are fixed according to the desirableness of the tenements. The following is a schedule of rents in force in the familistères:

SCHEDULE OF MONTHLY RENTS IN THE FAMILISTÈRES AT GUISE.

Location of tenement.	One room.	Two rooms.	Three rooms.	Four rooms.	Five rooms.	Six rooms.	Seven rooms.	Eight rooms.
LEFT WING.								
First story.....	\$0.88	\$1.76	\$3.01	\$3.89	.....	.....	.....	.....
Second story.....	1.32	2.64	3.23	4.55	\$5.88	\$7.20	\$8.52	.....
Third story.....	1.13	2.25	3.05	4.18	5.32	.....	.....	.....
Fourth story.....	1.05	2.09	2.76	3.81	.....	.....	.....	.....
CENTRAL PORTION.								
First story.....	1.02	2.05	.....	.....	.....	.....	.....	.....
Second story.....	1.28	2.57	3.47	4.82	6.10	7.38	8.67	.....
Third story.....	1.21	2.41	3.23	4.44	.....	.....	.....	.....
Fourth story.....	1.10	2.21	2.83	3.93	.....	.....	.....	.....
RIGHT WING.								
First story.....	1.38	2.76	3.71	5.09	.....	.....	.....	.....
Second story.....	1.55	3.11	4.05	5.63	7.18	8.73	10.29	11.84
Third story.....	1.39	2.79	3.50	4.90	6.31	.....	.....	.....
Fourth story.....	1.27	2.55	3.40	4.67	.....	.....	.....	.....
LANDRECIES.								
First story.....	1.25	2.51	3.59	.....	.....	.....	.....	.....
Second story.....	1.59	3.18	4.05	5.65	.....	.....	.....	.....
Third story.....	1.50	2.99	3.76	.....	.....	.....	.....	.....
CAMBRAI.								
First story.....	1.35	2.70	3.96	.....	.....	.....	.....	.....
Second story.....	1.59	3.18	4.54	5.89	7.48	9.07	10.66	.....
Third story.....	1.45	2.90	4.10	.....	.....	.....	.....	.....
Fourth story.....	1.31	2.62	3.40	.....	.....	.....	.....	.....

The society experiences no trouble in renting all the tenements, there being always a considerable number of applicants on the waiting list. As has been seen, it is obligatory for associés and sociétaires to reside in the familistères. This provision alone of the constitution goes a long way toward insuring that there will never be a lack of tenants. The following tables show for each year the population of the familistères and the total amount received in rents:

POPULATION OF THE FAMILISTÈRES AT GUISE. 1879 TO 1894.

Year.	Inhab- itants of famil- istères.	Year.	Inhab- itants of famil- istères.	Year.	Inhab- itants of famil- istères.	Year.	Inhab- itants of famil- istères.
1879.....	718	1883.....	1,241	1887.....	1,760	1891.....	a 1,820
1880.....	1,170	1884.....	1,250	1888.....	1,798	1892.....	a 1,820
1881.....	1,204	1885.....	1,748	1889.....	1,750	1893.....	a 1,820
1882.....	1,265	1886.....	1,765	1890.....	1,780	1894.....	a 1,820

a Average.



TOTAL RENT PAID IN THE FAMILISTÈRES AT GUISE, 1879-80 TO 1894-95.

Year.	Total rent.	Year.	Total rent.	Year.	Total rent.	Year.	Total rent.
1879-80 .....	\$10,551.96	1883-84.....	\$14,419.07	1887-88.....	\$20,695.86	1891-92.....	\$19,381.86
1880-81.....	12,693.27	1884-85.....	18,390.24	1888-89.....	19,705.72	1892-93.....	19,304.50
1881-82.....	13,633.37	1885-86.....	20,320.24	1889-90.....	19,587.46	1893-94 .....	19,335.16
1882-83.....	14,512.23	1886-87.....	20,583.22	1890-91.....	19,489.70	1894-95.....	19,530.42

It is an interesting, but at the same time a difficult, task to determine the effect of this grouping of a large number of families under the same roof. From the standpoint of the material welfare of the inhabitants, conditions in the familistères compare favorably with those of the village of Guise. A comparison of the vital statistics of the familistères and of Guise is made in the following table. An average for the period covered shows not only a higher birth rate but a decidedly lower death rate among both the children and adult portion of the population.

POPULATION, BIRTHS, AND DEATHS IN THE VILLAGE OF GUISE AND IN THE FAMILISTÈRES, 1879 TO 1891.

VILLAGE OF GUISE.

Year.	Popula- tion.	Births.	Deaths by age periods.							
			Less than one year.		One year and less than ten.		Ten years and over.		Total.	
			Num- ber.	Per 1,000 of popula- tion.	Num- ber.	Per 1,000 of popula- tion.	Num- ber.	Per 1,000 of popula- tion.	Num- ber.	Per 1,000 of popula- tion.
1879.....	5,550	128	34	6.13	24	4.32	100	18.02	158	28.47
1880.....	5,600	150	33	5.89	18	3.22	92	16.43	143	25.54
1881.....	5,610	164	23	4.10	14	2.50	86	15.33	123	21.93
1882.....	5,642	167	26	4.61	22	3.90	97	17.19	145	25.70
1883.....	5,675	160	26	4.58	29	5.11	96	16.92	151	26.61
1884.....	5,700	154	23	4.03	11	1.93	112	19.65	146	25.61
1885.....	5,729	164	40	6.98	31	5.41	97	16.93	168	29.32
1886.....	5,740	147	32	5.57	32	5.57	106	18.47	170	29.61
1887.....	5,765	131	28	4.86	23	3.99	97	16.82	148	25.67
1888.....	5,782	148	28	4.84	26	4.50	120	20.75	174	30.09
1889.....	6,250	170	55	8.80	18	2.88	21	3.36	94	15.04
1890.....	6,373	185	43	6.75	15	2.35	26	4.08	84	13.18
1891.....	6,415	177	45	7.02	15	2.34	60	9.35	120	18.71
Average....	5,833	157	34	5.75	21	3.66	85	14.64	140	24.05

FAMILISTÈRES.

1879.....	718	44	7	9.75	6	8.35	14	19.50	27	37.60
1880.....	1,170	42	10	8.55	6	5.13	9	7.69	25	21.37
1881.....	1,204	40	11	9.14	4	3.32	13	10.80	28	23.26
1882.....	1,265	43	6	4.74	2	1.58	19	15.02	27	21.34
1883.....	1,241	48	8	6.45	10	8.06	16	12.89	34	27.40
1884.....	1,250	41	1	.80	4	3.20	24	19.20	29	23.20
1885.....	1,748	76	8	4.58	14	8.01	20	11.44	42	24.03
1886.....	1,765	67	4	2.27	12	6.80	19	10.76	35	19.83
1887.....	1,760	74	5	2.84	6	3.41	17	9.66	28	15.91
1888.....	1,798	62	14	7.79	7	3.89	20	11.12	41	22.80
1889.....	1,750	65	11	6.28	5	2.86	.....	.....	16	9.14
1890.....	1,780	52	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)
1891.....	1,820	56	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)
Average....	1,482	55	b 8	b 5.43	b 7	b 4.85	b 15	b 10.91	b 30	b 21.19

a Not reported.

b Not including the years 1890 and 1891, not reported.



Statistics, however, can throw but a one-sided light upon the considerations involved in the organization of domestic life as existing in the familistères. It is the moral and psychological effects upon the inhabitants themselves that are of the greatest importance. It may be pardonable to dwell at some length upon this feature of the society, as it is on this account that the society as a whole has been more often condemned than praised.

The description of his impressions, given by a member of the Société Belge d'Économie Sociale who in 1891 made a visit to the familistère of Laeken, the conditions of which are in every respect similar to those at Guise, represents the type of the most hostile criticism that has been directed against the familistère. "Attempt," he says, "to fix the impression that this collection of institutions engenders. In spite of the prosperity that is visible everywhere among the workingmen who live in the familistère, in spite of the comfortable and ingenious arrangement that can be remarked even in the smallest details, that which the visitor carries away is an impression of sadness, of oppression. The familistère of Laeken is a superb barrack, but yet a barrack. It is an ideal Fourier's convent, but everyone does not care to be an inmate of a convent. An exasperating uniformity, a lack of freedom, of independence, the sensation of an inflexible rule bringing everything to a level, impresses you gradually with sadness. The walls seem impregnated with ennui."

Whatever the opinion of one may be concerning the justness of this criticism, and it is a case where each one must form an opinion for himself, the result should not be allowed to influence the judgment concerning the merits of the whole organization. One can quite easily condemn the familistère and yet admire the ingenuity of the scheme through which the workingmen have become the owners of the plant in which they work and by which the principle of cooperation has been introduced throughout the workings of the society. To one studying in detail the organization of the society it is evident that the familistère idea is but an incidental feature, and that it is immaterial to the workings of the system whether the employees are housed under one roof or in individual cottages. But to Godin the familistère was considered as the most important part of his work. It was his hobby. Though his works were situated in the outskirts of a small country village, where land was abundant and there was no necessity whatever for the erection of huge tenements, Godin deliberately chose this type, believing that under all conditions the community of life thus created by bringing all or the greater portion of the employees of an establishment under the same roof represented the ideal type of the constitution of society. It is unnecessary to say that in so doing he acted contrary to the whole trend of modern thought in regard to the best methods of housing the working classes. The importance that he attached to this idea is seen in the great attention given to it in his



Solutions Sociales and in all the details of the organization of the society. The associés and sociétaires are thus required to live in the familistères; and the policy pursued in the instruction of the children was to have this idea constantly in view.

The familistère, therefore, should not be regarded as constituting the work of the society. This has too often been done. It requires a great deal of study to understand the workings of an elaborate scheme such as this is; but, if made, it is seen that the familistère idea is but an unessential part as far as the practical working of the whole society is concerned.

Two important features in connection with the familistère are the laundry and the allotment of land to the members for gardening purposes. It has been the policy of the society to group around the familistères institutions ministering to all the needs of the inhabitants. The conditions of tenement-house life made it extremely undesirable that clothes should be washed inside the buildings. Contemporaneous with the erection of the familistère, therefore, there was constructed a building called the buanderie, containing a swimming pool, baths, and rooms for the washing, drying, and ironing of clothes. Here members can do their own washing or hire others to do it for them.

The society possesses considerable land immediately adjoining the works. This it has divided into lots of from 1 to 3 ares (1,076.4 to 3,229.2 square feet) each, which are rented to members for vegetable gardens. From 500 to 600 members are in this way able to raise their own vegetables. The annual rent is from 1.25 to 5 francs (24 to 97 cents) per are (1,076.4 square feet). This privilege seems to be one highly prized. A very pleasant park on high land adjoining the grounds of the familistère is maintained at the expense of the society. A library of nearly 3,000 volumes is at the disposal of members free. The members are also encouraged to form societies for mutual amusement and cultivation, and there have been formed a musical, a gymnastic, a shooting, a fencing, an archery, and other societies. A commodious theater has been erected that is utilized for assemblies of all kinds, and during the winter months is occupied twice a month by traveling theatrical troupes.

### INSURANCE AND MUTUAL RELIEF.

As one would expect, insurance and mutual aid institutions play a prominent part in the social work of the society. The idea of the mutual duties of members to each other is emphasized in every possible way. "One for all and all for one" is the motto of the society and the basis of the whole theory upon which it has been organized, and certainly there is no better opportunity for the exercise of mutuality than that afforded by the care of old workingmen and the aid of the sick and injured. The pensioning of old workingmen and the guaranty of a minimum subsistence to all members, as has been seen, is



not deemed by the society as a privilege accorded to its members, but as a natural right to which labor is entitled in a degree scarcely second to that of receiving wages. The expense of accomplishing these objects, therefore, is counted as a legitimate item of expense in the cost of operation to be met before even the payment of interest on founder's certificates. Insurance against sickness and accidents, however, is put upon an entirely different basis. For this purpose all members and employees are organized into various mutual aid societies, in which membership is obligatory and which are supported, for the most part, by the dues of members. The society stands pledged by its constitution to insure the operation of these societies, and in actual practice it has frequently been necessary for it to supplement their receipts by grants from its common fund. Four distinct societies have been organized to cover this field of insurance and aid in case of sickness:

1. Society for the guaranty of a minimum subsistence to members and for the pensioning of old or incapacitated employees.
2. Mutual aid society for the insurance of employees against sickness.
3. Mutual aid society for the insurance of women inhabiting the familistères against sickness.
4. Mutual aid society for the supply of medicines and medical supplies to inhabitants of the familistères in case of sickness.

As the constitutions and funds of these societies are entirely distinct, one from the other, their separate consideration will be necessary. The results of their practical operation, however, can be presented statistically in the same tables.

#### SOCIETY FOR THE GUARANTY OF A MINIMUM SUBSISTENCE TO MEMBERS AND FOR THE PENSIONING OF OLD OR INCAPACITATED EMPLOYEES.

The first society, that for the guaranty of a minimum subsistence and for the pensioning of old or incapacitated employees, is of much the greatest interest. In describing its organization, as well as that of the other societies, the greatest precision can be obtained by translating freely the essential portions of their constitutions. The following are the important portions of the constitution of the society under discussion:

The resources of the society are derived from: (1) A payment from the gross profits of the familistère society of a yearly sum equal to 2 per cent of the total amount paid in wages to members of the society. (2) The profits apportioned to the wages of auxiliaires.

Every person employed in the establishments of the familistere society is placed under its protection, and in case of incapacity incurred during his connection with the society is accorded a pension. This pension is granted to associés, sociétaires, and participants, and, in certain cases, to auxiliaires.

After fifteen years of service the right to a pension is regulated as follows: For associés, men and women, the pension is fixed at two-fifths



of their wages, and for sociétaires at one-third of their wages; provided, nowever, that the monthly pension of associés shall be not less than 75 francs (\$14.48) for the men and 45 francs (\$8.69) for the women, and of the sociétaires not less than 60 francs (\$11.58) for the men and 35 francs (\$6.76) for the women. The pensions for participants and auxiliaires are fixed by the following schedule:

DAILY PENSIONS PAID TO PARTICIPANTS AND AUXILIAIRES BY THE MINIMUM SUBSISTENCE AND PENSION FUND OF THE FAMILISTÈRE SOCIETY OF GUISE.

Years of continuous service.	Men.	Women.
After 15 years .....	\$0.19	\$0.14
After 20 years .....	.29	.19
After 25 years .....	.39	.24
After 30 years .....	.48	.29

In the intermediate periods the amount of the pension is proportional to the length of service. The right of a member to a pension is suspended if, without an authorization of the board of directors, he accepts a salaried position outside of the society.

In case the resources of the fund permit, the board of directors can, on the authorization of the general assembly, increase the amount of the pension paid in cases where especially meritorious services have been rendered to the society.

If the years of service entitling a member to a pension have been accomplished at various times, each voluntary departure and each year of absence diminishes the pension paid by 2 centimes ( $\frac{4}{10}$  cent) per day. The years of service performed before the age of 20 years count as half. The time passed in military service is counted as an involuntary absence and no reduction is made in consequence.

A member able to work, who retires voluntarily from the society or who is expelled or severs his connection with the society for any reason other than the lack of work, loses all right to a pension.

If before fifteen years of service an employee of the society, who is without means of support, is incapacitated for work through an accident received while at work, he is entitled to the pension of one having served twenty years. If the accident occurs after fifteen years of service, he is entitled to the pension of one having served thirty years. The indemnities accorded to those incapacitated before fifteen years of service, and not due to an accident received while at work, are left to the discretion of the insurance committee and the board of directors.

To associés and sociétaires who have been sick more than three months there is granted during one year a sum equal to their wages.

The society guarantees a minimum subsistence to its members. In cases, therefore, where the wages of a household does not equal this sum the deficiency is paid from the insurance fund. The minimum daily subsistence is fixed by the following schedule:

For a man or woman .....	\$0.48
For a widower or widow, head of a family .....	.29
For a widow without a family .....	.19
For a man sick in a family .....	.19
For a woman sick in a family .....	.14
For children over 16 years of age (each) .....	.19
For children from 14 to 16 years of age (each) .....	.14
For children from 2 to 14 years of age (each) .....	.10
For children under 2 years of age (each) .....	.05



These last have, in addition, a right to the nursery. In calculating the amount of earnings of a family, in order to determine by what amount the total family income falls below the minimum of subsistence, the gains of all the members of the family, whether from wages or from the various insurance funds, are taken into account. These daily gains that can not be absolutely determined are valued according to the following schedule:

Males from 14 to 16 years of age.....	\$0.14
Males from 16 to 18 years of age.....	.19
Males from 18 to 20 years of age.....	.29
Males over 20 years of age.....	.43
Females from 14 to 17 years of age.....	.10
Females from 17 to 21 years of age.....	.14
Females over 21 years of age.....	.19

It is considered that a mother with five children unable to work can gain nothing; one with four children, 25 centimes (5 cents); one with three children, 50 centimes (10 cents); one with two children, 75 centimes (14 cents); and one with one child unable to work can earn 1 franc (19 cents) per day. If, however, it is shown that she does earn something, it is taken into account. The minimum of subsistence is accorded to widows and orphans whose husbands and fathers have been in the service of the society at least fifteen years. For those whose husbands and fathers have died before having served that length of time, the right to aid and of living in the familistères is limited to one year. In case of sickness the rate of subsistence is only paid to those whose payment from the insurance fund against sickness does not amount to that sum and only for one month after they have stopped work.

The orphans of associés and sociétaires are taken care of by the insurance committee, which, after the approval of the board of directors, places them in families where they receive all necessary care and education.

The protection of insurance extends also to families of participants and auxiliaires in cases of exceptional misfortune and when the board of directors think such action to be necessary.

Every individual, after he has been pensioned, ceases to pay dues to the insurance fund against sickness, and will likewise cease to participate in its benefits, the pension being considered as taking its place. In special cases, however, permission can be granted for a continued participation.

#### MUTUAL AID SOCIETY FOR THE INSURANCE OF EMPLOYEES AGAINST SICKNESS.

The organization of the society for the insurance of employees against sickness is as follows:

The resources of the society are derived from: (1) The payment as dues by each employee of the familistère society inhabiting the familistères of one-half of 1 per cent, and by each employee not inhabiting the familistères of 1 per cent of the amount he or she receives in wages. If the average monthly earnings of a member do not equal 100 francs (\$19.30) for the head of a family, his payment is calculated as if it were that amount. If his average monthly earnings exceed 150 francs (\$28.95), the member has the option of paying his percentage on either



the full or on two-thirds of the amount of his wages. This rate can be raised or lowered according to the financial requirements of the fund. (2) The product of fines levied by the familistère society on workingmen for infringement of rules or breakage of material. (3) A grant by the familistère society of an amount within the discretion of the managing council.

Every employee of the familistère society, male or female, on commencing work, either in the shops, the offices, or the stores of the society, is enrolled as a member of the organization for insurance against sickness, and the payment of dues by him to the sick fund is obligatory. An exception, however, is made in the case of women inhabiting the familistères, inasmuch as they have an organization of their own.

After six months, during which regular payments have been made, every member, on becoming incapacitated for work through sickness or accident, is entitled to receive during a period not to exceed one year: (1) The professional attendance of physicians appointed and paid by the familistère society; (2) the payment of a daily sick benefit, the minimum amount of which is fixed as follows: For members less than 45 years of age on entering the employ of the society, during the first three months, two times, during the second three months, one and one half times, and during the remaining six months, one time the amount of the monthly dues they have been paying; for members over 45 years of age on entering the employ of the society, during the first three months, one and one-fourth times, during the second three months, one time, and during the remaining six months, three-fourths of the amount of the monthly dues that they have been paying.

In the case of sickness or injury occurring to an employee before he has made payments during six months, the patient receives a daily sick benefit equal to the amount of his monthly dues. If the incapacity for work continues more than one year the payment of a sick benefit ceases, and if the patient is declared to be permanently incapacitated he is pensioned as provided for in the scheme of old-age and invalidity pensions.

#### MUTUAL AID SOCIETY FOR THE INSURANCE OF WOMEN INHABITING THE FAMILISTÈRES AGAINST SICKNESS.

The organization of the society for the insurance of women inhabiting the familistères against sickness is as follows:

The resources of the society are derived from: (1) The payment as dues by each woman 14 years of age or over inhabiting the familistères of 50 centimes (10 cents) per month, or 2 per cent of her earnings when the amount thus determined is superior to 50 centimes (10 cents); in no case, however, can the dues exceed 3 francs (58 cents); (2) the product of fines for infraction of rules of the familistères; (3) a grant of a lump sum by the familistère society, which can in no case exceed the total amount paid in as dues.

Every woman over 14 years of age and inhabiting the familistères is enrolled as a member of the organization for insurance against sickness, and the payment of dues by her is obligatory. After six months, during which regular payments have been made, each member on becoming incapacitated for work through sickness is entitled to receive (1) the professional attendance of a physician and of a midwife of her own selection; (2) the payment of a daily sick benefit, the amount of which is fixed as follows: During the time she is confined to her bed,



to one and one-half times, and during the period of her convalescence, or of any sickness not entirely incapacitating her for light work, to three-fourths of the amount of the monthly dues that she has been paying. In case of childbirth, the higher rate is paid during the first nine days and the lower rate during the remaining time of her illness.

MUTUAL AID SOCIETY FOR THE SUPPLY OF MEDICINES AND MEDICAL SUPPLIES TO INHABITANTS OF THE FAMILISTÈRES IN CASE OF SICKNESS.

It would seem that the supplying of medicines was a legitimate duty of the other societies, and it is difficult to see what necessity there was for the creation of a society for that purpose. However, it was determined to keep such service separate. Its organization is as follows:

The resources of the society are derived from: (1) A payment as dues by every inhabitant of the familistère over 14 years of age of 50 centimes (10 cents) per month. (2) A grant of a lump sum by the familistère society which can in no case exceed the total amount paid in as dues.

After six months, during which regular payments have been made, members are entitled to receive from the fund, both for themselves and their families in case of sickness, medicines, medical supplies, and instruments that have been ordered by the physician or midwife. Such provision, however, is made only in cases where the sickness is of sufficient severity as to incapacitate the patient for work. The fund also defrays the civil expenses of burials of members or members of member's families.

The administration of these various societies is in the hands of a committee for each society, elected by its members for a term of one year. The managing council exercises a general control over all their operations. It is not necessary to go into the details of the organization of these committees nor of the methods of management of their affairs. The practical workings of these societies are shown in the series of tables that follow. There are a number of points of great importance to be noticed in connection with this showing. The first of these is that there has been a failure to correctly estimate the relationship between receipts and probable expenses. It is a difficult thing to correctly calculate the mathematical basis upon which any insurance or beneficial scheme must rest. The difficulty lies in the fact that, while receipts remain nearly stationary, expenditures must necessarily increase as the scheme and its members become older. The situation of affairs at Guise is thus set forth by the general manager in his annual report for 1893-94:

If the financial and industrial situation is good, by no means the same thing can be said regarding our insurance funds. In effect, all of our relief funds at Guise have an excess of expenditures over receipts.

The expenditures of the fund for pensions and necessary subsistence have exceeded receipts by 7,031.78 francs (\$1,357.13).

The insurance fund against sickness has had an excess of expenditures amounting to 5,118.37 francs (\$987.85). We had in bank June



30, 1893, a surplus of 1,333.76 francs (\$257.42), which had been transformed into a deficit of 3,784.61 francs (\$730.43) on June 30 last.

The fund for the insurance of women against sickness has also an excess of expenditures. There remained in bank on June 30, 1894, a balance of 12,069.69 francs (\$2,329.45), a reduction of 1,563.80 francs (\$301.81) as against the preceding year.

The fund for the supply of medicines has still a deficit, which during this year reached 2,343.20 francs (\$452.24), and which the society had to cover, as it did the deficits for previous years.

\* \* \* \* \*

The fund for pensions and minimum subsistence, which, at the date of creation of the society, June 30, 1880, had a cash balance of 108,846.94 francs (\$21,007.46) has had this amount successively increased until June 30, 1893, when it amounted to 290,552.40 francs (\$56,076.61), an increase of 181,705.46 francs (\$35,069.15), or an average annual increase of about 14,000 francs (\$2,702). The annual increase was greater in the earlier and smaller in the later years, until, during the year 1892-93, it amounted to only 2,032.51 francs (\$392.27), and in the last year, 1893-94, there was a deficit of 7,031.78 francs (\$1,357.13).

The permanent fund of certificates which last year amounted to 855,178 francs (\$165,049.35) reached this year about 878,033 francs (\$169,460.37), an increase of 22,855 francs (\$4,411.02), \* \* \* which makes the total assets of the fund 1,161,553.62 francs (\$224,179.85); it was 1,145,725.60 francs (\$221,125.04) last year, or a gain of 15,828.02 francs (\$3,054.81), the difference resulting from the increase in the amount of certificates held and the diminution in the cash balance on hand.

\* \* \* \* \*

It is necessary to be prudent and to seek to establish an equilibrium between our budgets of insurance and benevolence.

\* \* \* \* \*

I should also call attention to the other insurance funds \* \* \* of which the deficits are permanent. There, also, it is necessary to economize—it is necessary to exercise efficacious supervision and suppress the abuses. \* \* \*

I shall count on the insurance committees to appreciate the importance of their mission, and not to permit a renewal of certain violations and certain abuses which are prejudicial to our funds and also injurious to the health of their associates and to the welfare of their families.

The abuses here spoken of were the too great leniency and liberality displayed in the allotting of benefits.

The experience of Guise has thus been commented upon, not because it represents an aggravated case of miscalculation, for it is quite otherwise, but because it may serve to emphasize the necessity of an ample provision for the future increase of disbursements. There has been a failure to do this in the case of a great many insurance schemes organized in France and elsewhere. At Guise, however, great credit is due to the policy that has been pursued from the start, in the case of the pension fund, of building up a permanent fund of certificates. Thus, in spite of the note of warning sounded by the general manager, and the fact that disbursements exceed ordinary receipts, the fund has continued to increase and the condition of the society to show an improvement.



RECEIPTS AND EXPENDITURES OF THE MINIMUM SUBSISTENCE AND PENSION FUND OF THE FAMILISTÈRE SOCIETY OF GUISE, 1879-80 TO 1893-94.

Year.	Total receipts.	Expenditures.					Balance at end of year.
		Pensions.	Minimum subsistence.	Temporary aid.	Medical attendance and medicines.	Total.	
1879-80 .....	<i>a</i> \$41,630.06	\$1,254.50	\$945.70	\$868.50	\$44.70	\$3,113.40	\$38,516.66
1880-81 .....	35,907.03	1,344.66	988.03	951.49	100.47	3,384.65	71,039.04
1881-82 .....	32,939.43	2,243.47	1,140.87	2,067.55	273.99	5,725.88	98,252.59
1882-83 .....	30,775.17	4,512.96	2,369.43	1,042.89	356.76	8,282.04	120,745.72
1883-84 .....	21,887.38	5,449.78	2,473.74	1,029.70	611.16	9,564.38	133,068.72
1884-85 .....	20,157.06	5,512.48	1,505.79	1,657.91	1,121.62	9,797.80	143,427.98
1885-86 .....	16,288.65	5,388.98	2,388.96	1,668.16	1,264.83	10,710.93	149,005.70
1886-87 .....	17,476.51	5,862.61	2,525.97	2,654.90	1,225.14	11,668.62	154,813.59
1887-88 .....	27,317.20	6,200.07	2,386.01	2,572.99	1,180.36	12,339.43	169,791.36
1888-89 .....	31,648.06	7,673.73	2,383.98	1,206.50	1,171.47	12,435.68	189,003.74
1889-90 .....	22,234.65	8,459.50	2,588.86	1,125.22	1,317.26	13,490.84	197,747.55
1890-91 .....	24,004.56	9,726.84	2,266.47	1,239.62	1,817.52	15,050.45	206,701.66
1891-92 .....	20,943.01	10,671.95	2,072.42	1,616.33	1,549.09	15,909.79	211,734.88
1892-93 .....	17,712.00	12,071.09	1,985.11	1,714.65	1,548.88	17,319.73	212,127.15
1893-94 .....	18,264.34	13,444.74	2,377.59	2,191.68	1,607.47	19,621.48	210,770.01

*a* Including \$25,600.23 in fund at time of organization of society.

RECEIPTS AND EXPENDITURES PER EMPLOYEE OF THE MINIMUM SUBSISTENCE AND PENSION FUND OF THE FAMILISTÈRE SOCIETY OF GUISE, 1879-80 TO 1893-94.

Year.	Total employ-ees.	Total receipts per em-ployee.	Average expenditures for—						Total expendi-tures per em-ployee.
			Pensions.		Minimum sub-sistence.		Temporary aid.		
			Total pension-ers.	Average pension.	Families aided.	Average per family.	Families aided.	Average per family.	
1879-80 .....	1,190	<i>a</i> \$34.98	9	\$139.39	17	\$55.63	22	\$39.48	\$2.62
1880-81 .....	1,440	24.94	12	112.06	19	52.00	25	38.06	2.35
1881-82 .....	1,500	21.96	21	106.83	24	47.54	55	37.59	3.82
1882-83 .....	1,387	22.19	39	115.72	46	51.51	31	33.64	5.97
1883-84 .....	1,293	16.93	46	118.47	28	88.35	46	22.38	7.40
1884-85 .....	1,275	15.81	49	112.50	37	40.70	50	33.16	7.68
1885-86 .....	1,217	13.38	45	119.76	45	53.09	38	43.90	8.80
1886-87 .....	1,130	15.47	52	112.74	51	49.53	50	41.10	10.33
1887-88 .....	1,237	22.08	53	116.98	41	58.20	42	61.26	9.98
1888-89 .....	1,495	21.17	61	125.80	42	56.76	40	30.16	8.32
1889-90 .....	1,471	15.12	67	126.26	43	60.21	42	26.79	9.17
1890-91 .....	1,502	15.98	77	126.32	40	56.66	47	26.37	10.02
1891-92 .....	1,498	13.98	86	124.09	35	59.21	32	50.51	10.62
1892-93 .....	1,364	12.99	92	131.21	38	52.24	49	34.99	12.70
1893-94 .....	1,364	13.39	104	129.28	39	60.96	61	35.93	14.39

*a* Including amount in fund at time of organization of society.

OPERATIONS OF THE SICK INSURANCE FUND FOR EMPLOYEES OF THE FAMILISTÈRE SOCIETY OF GUISE, 1879-80 TO 1893-94.

Year.	Receipts.	Expenditures.	Members sick.	Total days sick.	Average days sick per member sick.	Average expenditure per day sick.
1879-80 .....	<i>a</i> \$8,281.09	\$4,877.35	442	9,678	21.90	\$0.50
1880-81 .....	7,094.35	8,293.99	750	16,456	21.94	.50
1881-82 .....	9,218.37	10,261.19	931	20,360	21.87	.50
1882-83 .....	8,396.75	8,350.15	708	17,035	24.06	.49
1883-84 .....	7,407.41	6,859.45	642	14,496	22.58	.47
1884-85 .....	7,113.68	8,064.89	670	15,236	22.74	.53
1885-86 .....	6,771.62	7,143.51	602	12,904	21.44	.55
1886-87 .....	6,853.24	5,540.45	523	10,830	20.71	.51
1887-88 .....	7,194.14	5,139.59	577	11,252	19.50	.46
1888-89 .....	6,806.54	6,133.47	764	12,965	16.97	.47
1889-90 .....	6,680.94	8,201.76	1,001	17,150	17.13	.48
1890-91 .....	7,146.49	8,328.77	896	17,033	19.01	.49
1891-92 .....	7,671.54	8,496.80	896	17,281	19.29	.49
1892-93 .....	7,372.45	8,060.39	698	16,507	23.65	.49
1893-94 .....	7,641.59	8,629.44	697	18,617	26.71	.46

*a* Including \$2,392.44 in fund at time of organization of society.

OPERATIONS OF THE SICK INSURANCE FUND FOR WOMEN INHABITING THE FAMILISTÈRES OF THE FAMILISTÈRE SOCIETY OF GUISE, 1879-80 TO 1893-94.

Year.	Receipts.	Expendi- tures.	Mem- bers sick.	Total days sick.	Average days sick per mem- ber sick.	Average expendi- ture per day sick.
1879-80.....	<i>a</i> \$2,169.12	\$641.01	111	2,341	21.09	\$0.27
1880-81.....	613.95	955.69	160	4,400	27.50	.22
1881-82.....	753.65	1,238.59	215	5,698	26.50	.22
1882-83.....	1,028.33	1,012.93	146	3,736	25.59	.27
1883-84.....	1,082.94	937.91	129	4,040	31.32	.23
1884-85.....	1,311.92	1,064.66	190	5,117	26.93	.21
1885-86.....	1,412.03	1,030.69	211	5,398	25.58	.19
1886-87.....	1,394.07	954.29	183	4,798	26.22	.20
1887-88.....	1,410.46	1,036.64	194	4,722	24.34	.22
1888-89.....	997.18	1,279.94	202	6,172	30.55	.21
1889-90.....	1,458.72	1,450.80	278	6,903	24.83	.21
1890-91.....	1,399.01	1,186.88	184	5,084	27.63	.23
1891-92.....	1,262.92	1,406.64	235	6,490	27.62	.22
1892-93.....	1,257.98	1,206.28	184	4,756	25.85	.25
1893-94.....	1,302.93	1,604.75	210	7,426	35.36	.22

*a* Including \$1,367.48 in fund at time of organization of society.

OPERATIONS OF THE MEDICAL SUPPLIES FUND OF THE FAMILISTÈRE SOCIETY OF GUISE, 1879-80 TO 1893-94.

Year.	Receipts.	Expendi- tures.	Sick mem- bers re- ceiving sup- plies.	Average expendi- ture per member sick.	Year.	Receipts.	Expendi- tures.	Sick mem- bers re- ceiving sup- plies.	Average expendi- ture per member sick.
1879-80 ..	<i>a</i> \$2,877.61	\$641.18	247	\$2.60	1887-88 .	\$1,230.17	\$1,340.99	565	\$2.37
1880-81 ..	1,026.27	739.78	469	1.58	1888-89 .	1,540.46	1,868.72	741	2.52
1881-82 ..	850.29	1,422.01	583	2.44	1889-90 .	1,913.65	2,386.54	827	2.89
1882-83 ..	834.04	1,121.01	465	2.41	1890-91 .	1,933.64	2,376.24	759	3.13
1883-84 ..	899.38	1,269.76	473	2.68	1891-92 .	1,957.53	2,015.66	792	2.55
1884-85 ..	1,106.39	1,822.84	611	2.98	1892-93 .	1,520.11	1,949.83	831	2.35
1885-86 ..	1,217.78	1,567.66	610	2.57	1893-94 .	1,608.83	2,061.07	844	2.44
1886-87 ..	1,216.59	1,459.35	606	2.41					

*a* Including \$1,393.55 in fund at time of organization of society.

RECEIPTS AND EXPENDITURES OF THE SICK INSURANCE AND MEDICAL SUPPLIES FUNDS OF THE FAMILISTÈRE SOCIETY OF GUISE, 1879-80 TO 1893-94.

Year.	Receipts.	Expendi- tures.	Cash on hand at end of year.	Year.	Receipts.	Expendi- tures.	Cash on hand at end of year.
1879-80.....	<i>a</i> \$13,327.82	\$6,159.54	\$7,168.28	1887-88.....	\$9,834.77	\$7,517.22	\$5,978.08
1880-81.....	8,734.57	9,989.46	5,913.39	1888-89.....	9,344.18	9,282.13	6,040.13
1881-82.....	10,822.31	12,921.79	3,813.91	1889-90.....	10,053.31	12,039.10	4,054.34
1882-83.....	10,259.12	10,484.09	3,588.94	1890-91.....	10,479.14	11,891.89	2,641.59
1883-84.....	9,389.73	9,067.12	3,911.55	1891-92.....	10,893.99	11,919.10	1,616.48
1884-85.....	9,531.99	10,952.39	2,491.15	1892-93.....	10,150.54	11,216.50	550.51
1885-86.....	9,401.43	9,741.86	2,150.72	1893-94.....	10,553.35	12,295.26	<i>b</i> 1,191.40
1886-87.....	9,463.90	7,954.09	3,650.53				

*a* Including \$5,153.47 in fund at time of organization of society.

*b* Deficit.

EDUCATION.

The care and education of the children of members is considered by the society as one of the most important features of its work. Next to the familistère, education was the object of the greatest solicitude to Godin. As early as 1860 he commenced the creation of educational institutions along substantially the same lines as they are now conducted.



Like the expenditures required for the pensioning of old working-men and the guaranty of a minimum subsistence, the entire expense of education is made a charge on the receipts of the society before any interest or profits are paid. The great attention to education receives its explanation in the fact that the society intends, through the instruction of the children under its supervision, to make of its schools a means of perpetuating in future generations the same ideas concerning mutuality and the association that actuated its founders. The following extracts from the constitution and by-laws indicate clearly this policy: "The administration," says the constitution, "ought above all to make sure that the children receive good moral instruction with the special object of developing in them the sentiment of the duties of solidarity that exists between members. It should seek to make them understand the grandeur and benefits of the association in order that in the future they may become worthy successors in the work of their predecessors." Again, in the by-laws, a paragraph reads: "The fact should never be lost sight of that the object of the instruction ought to be to form for the society men and women valuable to it both on account of their moral character and intellectual attainments. The children, therefore, should be accustomed from their very earliest years to contribute by their good conduct to the charms of a common habitation and to the general welfare. \* \* \* The effort should be made to instill in the minds of the children the love of the society, the love of the principles which have given birth to the present constitution and by-laws, and a desire to aid in their practical application."

To carry out these ideas the constitution made the following provisions concerning the organization of instruction. Institutions for the instruction of children are organized into five divisions or grades:

1. The *nourricerie*, or nursery, the object of which is to aid the mothers in the care of their infants until they have reached the age of 2 years.

2. The *pouponnat*, or the first infants' garden, an institution designed to give all the necessary care and amusement to children who are between the ages of 2 and 4 years.

3. The *bambinat*, or second infants' garden, for children between the ages of 4 and 6 years, where the first instructive exercises will be commenced.

4. Schools which will insure to all children of members of the society good primary instruction until they have reached the age of 14 years.

5. Finally, the administration makes provision for the further education of those students who have shown special aptitudes and faculties.

The education and instruction provided by the society is wholly gratuitous. The wages of instructors and all others expenses are paid by the society. The amount thus expended for each year can not be less than 25,000 francs (\$4,825). This amount may be increased by the society, but in case the whole amount appropriated is not expended



the balance is not carried to the next year, but to a special educational fund reserved for emergencies. The system thus created means, practically, the removal of the children, at least during their earlier years, from their parents during a greater part of the day and their elevating in common. It is unnecessary to call attention to the tremendous power thus given to the society to educate believers in the principles practiced at Guise. Handsome and well-arranged school buildings have been erected, and, without going into details, competent teachers and suitable courses of study have, apparently, been provided. The *nourricerie* seems to be a particularly well-conducted institution. It answers all the requirements of a well-conducted *crèche*, an institution existing in many manufacturing centers of France and Germany, but almost unknown in this country. Mothers, on going to work in the morning, leave their babies here, where they are fed, bathed, put to sleep or amused until the evening, when the mothers return to take them away. The following table shows the expenditure of the society each year for the care and education of children of members:

EXPENDITURES OF THE FAMILISTÈRE SOCIETY FOR THE CARE AND EDUCATION OF CHILDREN AT GUISE, 1879-80 TO 1894-95.

Year.	Nursery.	Infant schools.	Primary schools.	Total.	Year.	Nursery.	Infant schools.	Primary schools.	Total.
1879-80 ..	\$1,351.18	\$516.40	\$1,588.51	<i>a</i> \$3,680.86	1887-88 ..	\$1,334.12	\$1,306.48	\$3,240.18	\$5,880.78
1880-81 ..	1,334.25	473.85	1,970.02	<i>a</i> 4,163.73	1888-89 ..	1,375.38	1,357.49	2,974.94	5,707.81
1881-82 ..	1,351.89	630.13	2,834.83	<i>a</i> 4,822.89	1889-90 ..	1,263.89	1,384.23	3,214.67	5,862.79
1882-83 ..	1,393.50	767.65	4,475.84	6,636.99	1890-91 ..	1,067.43	1,586.95	3,317.29	5,971.67
1883-84 ..	1,268.82	567.21	4,648.47	6,484.50	1891-92 ..	1,136.94	1,513.75	3,355.59	6,006.28
1884-85 ..	1,513.20	709.99	3,938.33	6,161.52	1892-93 ..	1,280.72	1,444.99	3,338.88	6,064.59
1885-86 ..	1,641.67	842.61	3,580.01	6,064.29	1893-94 ..	1,099.74	1,390.30	3,321.96	5,812.00
1886-87 ..	1,308.45	863.49	3,530.31	5,702.25	1894-95 ..	1,179.78	1,175.59	3,494.97	5,850.34

*a* This total is greater than the sum of the items. The explanation is not known. The figures are given as published by the society.

### COOPERATIVE DISTRIBUTION.

The creation of the first store for the sale of necessary articles of consumption to employees of the establishment dates from the foundation of the first familistère in 1859. Previous to 1880 the store remained but a branch of the general enterprise of M. Godin, and whatever profits were realized were retained by him. On the organization of the society the principle of cooperation was introduced in this department as well as in the conduct of the industry proper. Though an independent cooperative society was not created, the service of distribution was made a distinct branch of the general undertaking, and, as its accounts have been kept separate from those relating to the industrial branch, its operations can be studied apart. Since the foundation of the society this service of distribution has not ceased to prosper. New departments have from time to time been added until, at the present time, there can be purchased through it every article necessary for the ordinary life of the members of the society.



As at present organized, the service of distribution includes two departments: (1) That of production and (2) that of sales. The first is divided into two sections, viz, a bakery and a charcuterie (an establishment for the preparation of hog products). The charcuterie was in existence prior to the organization of the society. The bakery was established in 1886. It is equipped with two furnaces or ovens and other necessary appliances, affording a productive capacity of from 700 to 800 kilograms (1,543 to 1,764 pounds) of bread per day. The flour used is first and second class, mixed in equal proportions. The price of bread is regulated by the minimum price charged by independent bakers of the village of Guise. The average annual profit realized is about 3.81 per cent. This is exclusive of the profits that may be realized by the sale of the bread through the sales department, as the bread is not sold at the bakery, but is transferred to the sales department. Previous to 1887 a dairy had been maintained by the society for supplying milk to members. It was, however, abandoned in that year, and milk is now purchased at wholesale rates from a neighboring dairyman and retailed through the sales department.

The sales department is divided into the following sections:

1. Dry goods and miscellaneous, including such categories as dry goods proper, ready-made articles of wearing apparel, hats, shoes, furniture, stationery, watches and jewelry, etc.
2. Groceries, including groceries proper, kitchen utensils, beer, wine, and other liquors.
3. Food products, such as meats, fruits, vegetables, etc.
4. Fuel.
5. Administration of the bath and wash rooms.
6. Administration of the tavern, casino, etc.
7. Auxiliary service for the sale of liquors wherever permitted.

The sale of furniture and of watches and jewelry was commenced in 1889.

The following tables, giving the total value of products and of articles of each class sold during each year since the foundation of the society, will show the progress in importance of the Cooperative Distributive Association:

VALUE OF PRODUCTS OF THE COOPERATIVE DISTRIBUTIVE ASSOCIATION OF THE FAMILISTÈRE SOCIETY OF GUISE, 1879-80 TO 1894-95.

Year.	Charcuterie.	Dairy.	Bakery.	Total.	Year.	Charcuterie.	Dairy.	Bakery.	Total.
1879-80 ..	\$5,010.58	\$799.21	.....	\$5,809.79	1887-88 ..	\$6,033.32	.....	\$7,280.55	\$13,313.87
1880-81 ..	4,940.50	749.69	.....	5,690.19	1888-89 ..	7,223.69	.....	8,270.83	15,494.52
1881-82 ..	5,424.08	749.04	.....	6,173.12	1889-90 ..	9,347.95	.....	9,607.84	18,955.79
1882-83 ..	6,376.25	574.37	.....	6,950.62	1890-91 ..	10,624.82	.....	14,114.05	24,738.87
1883-84 ..	5,822.02	520.58	.....	6,342.60	1891-92 ..	10,945.76	.....	17,525.37	28,471.13
1884-85 ..	6,033.84	616.86	.....	6,650.70	1892-93 ..	11,421.78	.....	15,637.68	27,059.46
1885-86 ..	6,532.13	644.13	.....	7,176.26	1893-94 ..	11,527.08	.....	15,120.68	26,647.76
1886-87 ..	6,278.73	547.82	\$6,991.78	13,818.33	1894-95 ..	12,425.34	.....	14,670.90	27,096.24



INCOME FROM SALES, ETC., OF THE COOPERATIVE DISTRIBUTIVE ASSOCIATION  
OF THE FAMILISTÈRE SOCIETY OF GUISE, 1879-80 TO 1894-95.

Year.	Wearing apparel.	Groceries.	Green gro- ceries, meats, fruits, etc.	Restau- rant and casino.	Beer con- sumed at home.	Fuel.	Baths and wash houses.	Total.
1879-80...	\$9,282.56	\$38,147.29	\$14,752.14	\$8,641.80	.....	\$6,330.65	\$757.21	\$77,911.65
1880-81...	10,001.06	41,475.38	15,036.94	9,579.91	.....	6,194.51	812.29	83,100.09
1881-82...	11,426.68	40,890.85	15,515.70	9,820.14	.....	6,263.48	875.05	84,791.90
1882-83...	12,339.70	38,087.44	17,060.01	7,810.56	.....	6,377.32	912.52	82,587.55
1883-84...	13,080.86	34,589.16	15,859.94	6,714.29	.....	5,472.01	954.71	76,670.97
1884-85...	15,467.99	39,213.80	15,651.79	4,416.39	.....	5,279.13	1,084.42	83,113.52
1885-86...	15,846.31	39,636.40	16,927.03	6,872.09	.....	5,949.51	1,132.96	86,364.30
1886-87...	15,213.30	40,602.62	16,448.22	7,079.66	\$196.24	6,456.48	1,238.60	87,235.12
1887-88...	15,969.71	41,901.70	16,549.27	5,936.38	657.24	7,345.72	1,576.66	89,936.68
1888-89...	24,004.03	49,834.90	21,061.41	6,862.91	1,002.77	7,675.84	1,599.91	112,041.77
1889-90...	28,769.57	57,677.13	26,155.10	6,303.77	1,929.12	8,608.40	1,630.72	131,073.81
1890-91...	33,214.59	70,068.18	29,317.94	7,639.10	2,366.53	12,899.90	1,505.64	<sup>a</sup> 157,065.83
1891-92...	34,404.34	79,450.50	29,289.79	7,905.02	2,895.96	13,331.44	1,588.24	168,865.29
1892-93...	33,796.51	76,941.57	28,755.10	6,831.26	2,998.68	12,066.94	1,678.50	163,068.56
1893-94...	33,307.58	76,430.66	29,515.56	6,841.39	3,233.22	11,799.55	1,484.59	162,612.55
1894-95...	34,348.40	77,629.28	31,569.46	6,237.07	3,176.48	12,423.36	1,377.80	166,761.85

<sup>a</sup> This total is greater than the sum of the items. The explanation is not known. The figures are given as published by the society.

The administration of the service of distribution is under the general control of the board of directors and the familistère committee. A general director of the service is appointed, who is the executive head of this branch of the industry. The personnel required for the service numbers between fifty and sixty persons, the greater part of whom are women. With rare exceptions, purchases are made directly from producers, without the intervention of middlemen. For the supply of certain articles the society is affiliated with the Federation of the Co-operative Societies of France.

The stores are for the most part located in rooms on the ground floor of the main familistère. The stores for the green groceries, meats, and fruits, the tavern, etc., are, however, installed in separate buildings. Every member of the society, every employee of the establishment, or even persons utter strangers to the society, have free access to the stores and can participate equally in the profits. After all expenses have been paid the net profits remaining are divided among the purchasers in proportion to the value of their purchases during the year. Prior to 1881-82 these profits were distributed in cash. In that year the system was changed so that 50 per cent of the profits were distributed in cash and the remainder as a credit for the future purchase of articles. This was done in order to encourage members to make their purchases at the stores of the society. In 1888-89 the amount distributed as a credit for future purchases was raised to 85 per cent and only the remaining 15 per cent distributed in cash.

In order to participate in profits purchasers must secure a pass book, in which all purchases are entered. Purchases must be paid for in cash. The financial results of the operations of this branch of the general industry are shown in the following table. In explanation it should be said that "capital invested" represents only the value of the stock carried, and that the rent of the rooms occupied is included in expenses.



FINANCIAL OPERATIONS OF THE COOPERATIVE DISTRIBUTIVE ASSOCIATION OF  
THE FAMILISTÈRE SOCIETY OF GUISE, 1879-80 TO 1894-95.

Year.	Capital invested.	Total sales.	Profits.			Per cent of profits of—	
			Distributed in cash.	Distributed in purchases.	Total.	Capital invested.	Total sales.
1879-80 .....	\$17,325.38	\$77,911.65	\$7,074.61	.....	\$7,074.61	40.83	9.08
1880-81 .....	13,071.77	83,100.09	7,531.62	.....	7,531.62	57.62	9.06
1881-82 .....	12,409.63	84,791.90	7,903.00	\$396.00	8,299.00	66.88	9.79
1882-83 .....	12,699.63	82,587.55	5,708.05	1,836.26	7,544.31	59.41	9.13
1883-84 .....	12,410.32	76,670.97	5,385.42	2,719.92	8,105.34	65.31	10.57
1884-85 .....	13,112.88	83,113.52	5,901.81	3,699.98	9,601.79	73.22	11.55
1885-86 .....	13,750.09	86,364.30	6,331.76	3,965.80	10,297.56	74.89	11.92
1886-87 .....	16,530.72	87,235.12	6,418.93	4,003.44	10,422.37	63.05	11.95
1887-88 .....	15,275.02	89,936.68	6,211.72	4,030.40	10,242.12	67.05	11.39
1888-89 .....	16,973.19	112,041.77	3,972.09	9,753.06	13,725.15	80.86	12.25
1889-90 .....	16,285.03	131,073.81	4,650.31	13,247.35	17,897.66	109.90	13.65
1890-91 .....	18,734.47	157,065.83	5,396.43	16,330.66	21,727.09	115.97	13.83
1891-92 .....	22,825.34	168,865.29	5,723.97	18,355.75	24,079.72	105.50	14.26
1892-93 .....	26,142.66	163,068.56	5,017.00	16,967.80	21,984.80	84.10	13.48
1893-94 .....	25,140.99	162,612.55	5,327.51	18,324.06	23,651.57	94.08	14.54
1894-95 .....	25,171.02	166,761.85	5,255.28	18,631.37	23,936.65	95.10	14.35

As has been stated above, only holders of pass books in which purchases are entered can participate in profits. Other sales are treated as are purchases in private stores. The following table gives interesting details concerning the extent to which the stores are patronized, the amount purchased on pass books, the total number of pass books in use each year, the average value of sales, and the average amount of profits realized per pass book:

SALES AND PROFITS TO HOLDERS OF PASS BOOKS OF THE COOPERATIVE DISTRIBUTIVE ASSOCIATION OF THE FAMILISTÈRE SOCIETY OF GUISE, 1879-80 TO 1894-95.

Year.	Number of pass books.	Sales on pass books.	Net profits.	Per cent of profits of sales on pass books.	Average yearly sales per—		Average profits distrib- uted per pass book.
					Pass book.	Family.	
1879-80 .....	60	\$4,023.59	\$7,074.61	175.83	\$67.06	\$96.34	\$117.91
1880-81 .....	88	5,945.91	7,531.62	126.67	67.57	74.57	85.59
1881-82 .....	110	7,643.03	8,299.00	108.58	69.48	72.77	75.45
1882-83 .....	594	39,516.48	7,544.31	19.09	66.53	78.04	12.70
1883-84 .....	699	54,363.36	8,105.34	14.91	77.77	83.39	11.60
1884-85 .....	765	62,790.11	9,601.79	15.29	82.08	79.95	12.55
1885-86 .....	819	66,018.60	10,297.56	15.60	80.61	88.54	12.57
1886-87 .....	803	65,744.32	10,422.37	15.85	81.37	100.18	12.90
1887-88 .....	864	68,324.88	10,242.12	14.99	79.08	95.42	11.85
1888-89 .....	1,004	92,681.24	13,725.15	14.81	92.31	108.67	13.67
1889-90 .....	1,128	114,201.34	17,897.66	15.67	101.24	121.42	15.87
1890-91 .....	1,335	138,719.58	21,727.09	15.66	103.91	123.66	16.27
1891-92 .....	1,400	151,700.41	24,079.72	15.87	108.36	130.31	17.20
1892-93 .....	1,605	147,785.28	21,984.80	14.88	92.08	.....	13.70
1893-94 .....	1,630	147,937.71	23,651.57	15.99	90.76	.....	14.51
1894-95 .....	1,691	153,173.18	23,936.65	15.63	90.58	.....	14.16

The steady progression, not only in the number of pass books that are in use but in the average amount purchased on each book and by each family, shows, in a striking way, the constantly increasing extent to which the benefits of cooperation in the purchasing of supplies have been utilized. The increase is not due to the increased number of members of the society, for that has been but slight during recent years. The steady increase in the amount purchased by each family, though undoubtedly due in large part to the fact that fewer purchases are made elsewhere, would tend strongly to indicate the increasing material welfare of the members.



## COOPERATIVE DISTRIBUTION.

BY EDWARD W. BEMIS, PH. D.

Many forms of cooperation are very little developed in the United States. We have none of the credit associations so common in Germany, nor the raw-material societies for the cooperative purchase of the raw materials used in small manufacture, also common in Germany. We do not have the cooperative labor gangs or societies for the collective undertaking of contracts for public and private work which are common in Russia and Italy, while our cooperative manufacturing is insignificant compared with the beginnings in Great Britain and France. The cooperative cooper shops in Minneapolis are only moderately successful. Of the eight shops existing in 1886 only the following four survive. Sharing in the general depression, none of these have been able to pay any dividends during the past three years other than 5 per cent interest on the capital in the case of the two older companies and 6 per cent in the case of the two others.

The Cooperative Barrel Manufacturing Company, started in 1874 with a small paid-up capital and a membership of less than a score, had a membership of 120 in 1885 and a capital of \$50,000 in 1888. It now does a business of about \$150,000 a year.

The North Star Barrel Company, started in 1877, is now doing a business of about \$195,000 a year on a capital of \$43,350. The membership was 77 in 1885, is 51 now, and will soon be reduced to 45. The capital, however, in 1885, was only \$30,800.

The Northwestern Barrel Company, started in 1881, does a business of about \$100,000 on a capital of \$18,500. The capital has increased somewhat since 1886, but the membership has declined from 45 to 37.

The Hennepin Barrel Company, started in 1880, now does a business of about \$275,000 a year on a capital of \$47,200, and has a membership of 59. The capital was \$38,000 in 1886, and the membership 52.

The introduction of machinery has led to less need of skilled coopers, and, therefore, many have withdrawn. All the members work in their own shops, and each of the latter employs from twenty to thirty machine tenders and boys. The cooperative shops could do all the work for the Minneapolis mills, but the latter refuse to give it all to them even at lower prices. There may be a fear of combination if the cooperative shops once secured all the trade. In the interesting account of the movement in the first report of the Minnesota bureau of labor statistics, 1887-88, it is stated that the cooperative workers, being capitalists, do not care to strike, and, therefore, the journeymen in the private



shops can not do so. When wages fall, the cooperative workers can stand it better than the others. Attempts to establish pooling arrangements between all the shops have always failed, sometimes through the refusal of a cooperative shop to unite, and sometimes through the breaking of the agreement by some private shop. The following very significant statement, taken from that report, deserves insertion, as it applies equally to many illustrations of cooperative distribution: "It may be worth while to remark that cooperation is not a religion with these coopers. They are not experimenting for the benefit of humanity. One of them might withdraw with his savings and set himself up as the proprietor of a boss shop without the slightest twinge of conscience or the remotest chance of being charged with the sin of apostacy. The president of one of the smaller shops had formerly been a member of one or two of the older and larger establishments, and withdrew to found a shop of his own in another town. He failed in the business for some reason, and came back to cooperation in Minneapolis."

Mr. William Angus, a graduate student of the University of Minnesota, who has supplied many of the facts in this statement, writes: "The cooperatives do not pay themselves quite as high wages during the busy season as the private companies pay their men; but the wages amount to more by the year, as the private companies generally rush business for a time and then close up entirely. The wages of nonstock-owning employees are in every case exactly the same as those of stock-owning employees for doing the same work; but in very few cases are the nonstockowning employed at the same work. They are generally busied with running the machinery, engines, etc., rough out-of-door work, and, of course, here do not receive as much pay."

Outside of these associations scarcely anything of the kind exists in America. The few small cooperative coal mines in Illinois are said by the State mine inspectors to have a bad effect on wages in their neighborhood by their readiness to sell coal at any price when trade is dull. The so-called cooperative furniture factories of Rockford, Ill., are really joint stock companies, with small shares, widely scattered among employees. Disaster has recently overtaken many of those at Rockford. Where every stockholder has an equal vote there is some tendency to keep up wages, even ruinously, at the expense of profits.

On the other hand, our farmers have made as great strides as those of Holland, Denmark, France, or Germany in the matter of cooperative creameries, and fire and tornado insurance companies. Our many very large fraternal life insurance companies are also cooperative. Our cooperative banks, or building and loan associations, have already been investigated by the Department. (*a*)

The present study, however, deals with another great branch of the cooperative movement which, beginning in England over fifty years

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*a* Ninth Annual Report of the Commissioner of Labor, 1894.



ago, has still its greatest development there, but is now able to boast of a large growth in all the countries of Western Europe and in Italy. (a)

Cooperative distribution, the term commonly applied to the work of consumers' societies, is almost entirely confined, in many States, to the simple form of securing trade discounts for the members of farmers' organizations who concentrate their purchases of farm machinery and supplies and household goods in selected stores and factories. Such methods, which are most largely developed in France, are common with the Patrons of Husbandry, sometimes called the Grange. This organization, starting in 1866, now numbers about 250,000 members, pretty generally scattered through the northern and western States. The secretaries of the State granges of such widely separated States as Oregon, Nebraska, Ohio, Connecticut, and Rhode Island report extensive buying of this kind.

In Ohio, from 25 to 33 per cent is saved by buying for cash and concentrating trade with 45 business houses of manufacturers and jobbers. The Rhode Island Grange publishes a list of 14 Providence and 10 Newport houses that give discounts ranging from 5 per cent on gloves, hosiery, millinery, and harnesses to 15 per cent on watches and jewelry and 20 per cent at a restaurant. Through purchasing agents, also, implements, seeds, and fertilizers have been obtained in large and small quantities at a great saving and grain has been purchased by several granges in car-load lots with equally satisfactory results. In Connecticut, the State purchasing agent ships grain, coal, etc., to the granges, where they are divided among the members. The Watertown grange has its own storehouse and a spur track running to it. The Wallingford grange does a business of \$18,000 a year.

The supreme secretary of the Patrons of Industry, another farmers' organization in the northern States, west of New England, writes that their local associations, in many cases, establish cooperative stores. "In other cases they contract with the local dealer for their supplies, while in other cases they buy direct from the manufacturer. The amount of goods handled by the organization as such has been enormous. The saving has been, at a fair estimate, at least 10 per cent on all purchases, the expense of handling also being very light." Another organization, the Farmers' Alliance, which has been strongest in the South and Southwest, has pursued similar methods. The Alliance papers of North Carolina and other States publish a whole page list of articles that can be obtained at designated prices through the State business agency. In these and other ways combinations to charge unreasonably high prices for binding twine, fertilizers, barbed wire, and other farm supplies have been broken or forced to be more moderate in their demands.

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a See paper by Aneurin Williams in the proceedings of the Twenty-eighth Annual Cooperative Congress of Great Britain, held in May, 1896, at Woolwich.



## THE COOPERATIVE STORE.

That form of cooperative distribution or consumers' societies, known as the cooperative store, had its American beginnings with the so-called union stores in New England from 1847 to 1859. Limiting dividends and selling a little above cost, these stores either failed, or were transformed into private enterprises. None survive; yet 769 of these stores were started, and 350 of them, mostly in New England, reported in 1857 a capital of \$291,000 and an annual trade of \$2,000,000.

The next important effort was made by the Patrons of Husbandry, organized in 1866. All their early grange stores seem to have followed the methods of the union stores and to have met with a similar fate.

In 1864 the Rochdale methods of cooperative storekeeping were introduced in a Philadelphia store by twenty-three members who had secured from Rochdale, England, the constitution and other documents of the famous Rochdale Pioneers. In the second quarter of 1866 the sales were \$7,751.34, and three branches were too hastily established. The undue ratio of expense to trade, and especially the lack of interest in the movement, led to its speedy failure in November. The oldest cooperative store in this country, at the time of its failure in 1896, was the Danvers Cooperative Union Society, with a capital of \$5,500 in the shoe manufacturing town of Danvers, Mass. At first, however, from 1865 to 1869, it sold goods exclusively to its members and at cost, after the methods of the other union stores already referred to. It did not adopt the Rochdale plan until 1869. The failure is ascribed to incompetent agents, and was so disastrous as to leave the stockholders only 25 per cent of their investment.

The longest successful American trial of the Rochdale plan seems to have been by the Cooperative Store Company at Silver Lake, in the town of Kingston, Mass., which began June 14, 1875. A small store in a small place of nearly stationary population and with a trade of only \$9,517.92 and a capital of \$1,850 in 1895-96, or nearly the same as in 1886, its continued success under one manager seems to prove the presence there of what has been found far more important than even the Rochdale methods—a cooperative spirit, which is thus defined in the copies of the by-laws as printed in every edition for many years: "A true cooperator has three qualities—good sense, good temper, and good will—good sense to dispose him to make the most of his means; good temper to enable him to associate with others, and good will to incline him to serve them and be at trouble to serve them, and go on serving them, whether they are grateful or not in return, caring only that he does good, and finding it a sufficient reward to see that others are benefited through his unthanked exertions."

This last enterprise, like eight or nine others still in successful operation, owed its origin to the third wave of cooperative enthusiasm which swept over New England and a few other sections in the seventies, and



which was chiefly fostered at that time by the Sovereigns of Industry during its brief history from 1874 to 1880; but the Rochdale methods, then popularized, were at once taken up by a few grange stores, such as the Johnson County Cooperative Association at Olathe, Kans. During two years the Sovereigns of Industry kept two paid lecturers in the field, who devoted much of their time to instructing the people in cooperation.

In 1877, reports from 94 councils, mostly in New England, New York, New Jersey, Pennsylvania, and Ohio, showed an average membership of 77, an average capital of \$884, and a total trade of \$1,089,372, on which the consumers were estimated to have saved 14 per cent through cooperation. Perhaps one-half of these stores sold at market prices and returned the profits to the consumers as dividends on their trade, as in the Rochdale system.

The next epoch in the cooperative movement came with the rapid rise of the Knights of Labor, during the years 1884 to 1888. Scores of cooperative workshops, coal mines, and factories were started all over the country, without any connection with cooperative stores or knowledge of cooperative methods elsewhere. Most of these experiments failed. The few successful ones were transformed into joint-stock or private enterprises.

The same fate has befallen the numerous cooperative stores started by the farmers' associations known as the Wheel and the Alliance in the southern States from 1886 to 1892.

In 1886 a fairly exhaustive investigation of cooperation was made by five graduates of the Johns Hopkins University.<sup>(a)</sup> Not including the partially cooperative enterprises among the Mormons and at Allegan, Mich., to be considered later, these investigators found 30 stores outside of New England. Of these, 17, for the most part probably small ones, made no report of their business then, and seem to be extinct now or transformed into private enterprises. Seven others that reported a trade of \$357,673.78 in 1886 have also disappeared. Of these seven the only ones that did a business of over \$32,000 were the Philadelphia Industrial Cooperative Society, which had a trade of \$168,816.54, and the Trenton Cooperative Business Association, with a trade of about \$72,000.

Of 27 cooperative associations that have started in New Jersey since 1873, only 8 are now running, and in Texas cooperation has very greatly declined.<sup>(b)</sup>

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<sup>a</sup>History of Cooperation in the United States. Volume VI of the Johns Hopkins University Studies in Historical and Political Science. By Edward W. Bemis, Albert Shaw, Amos G. Warner, Charles Howard Shinn, and Daniel R. Randall. Baltimore, 1888.

<sup>b</sup>For information on the New Jersey societies, prior to 1895, see the Report of the New Jersey Bureau of Labor Statistics for 1895, Part V. For the Texas, Trenton, and Philadelphia societies, see How to Cooperate, by Herbert Myrick, Orange Judd Company, New York, 1892, pp. 78-82, 97-105, 121-126.



On the other hand, there are some favorable reports. The Trenton (N. J.) Cooperative Society, the Johnson County Cooperative Association, at Olathe, Kans., and the Hammonton (N. J.) Fruit Growers' Union had a trade of \$49,958.20, \$210,588.79, and \$45,940.45, respectively, in 1886, and of \$51,300, \$231,141.63, and \$61,427.43 in 1895-96. Sixteen associations which have started since 1886 in 15 places, viz, Pittsburg, Pa.; Dover, Raritan, and Phillipsburg, N. J.; Jamestown, N. Y.; Ishpeming, Mich.; Zumbrota, Minn.; Eureka, Emporia, Overbrook, Wakefield, and Green, Kans., and Los Angeles, Santa Paula, and Poplar, Cal., had a trade in 1895-96 of about \$450,000.

The total cooperative trade outside of New England, so far as reported, was about \$900,000 in 1895, as contrasted with about \$1,000,000 in the associations making even partial returns in 1886. Although it is believed that no large societies have been overlooked, it is quite possible that as complete a survey of the field as was made in 1886 might reveal a small growth in the cooperative trade outside of New England during the past ten years. Nearly all the associations that have been reached in this inquiry give dividends on trade, but in Kansas these dividends are very small at present, owing to the agricultural depression there which is causing the failure of many private stores.

In New England the outlook is more encouraging. While 6 of the stores that had a trade of \$134,000 in 1886 are now closed, the trade of the remaining 13 of those in existence in the former period has grown from \$479,900 to \$978,951.48, and 9 new stores report a trade of \$251,409.49. The total cooperative trade in New England, almost entirely on the Rochdale plan, is thus over twice as great as ten years ago. To the figures for the western and southern States should be added 134 labor exchanges, with 6,000 members, pursuing methods to be described later.

The stores following the Rochdale plan, so thoroughly tested by experience, manage business in substantially the following way:

1. Small shares of stock are issued, usually limited to \$5. One can, in most stores, become a member by paying only \$2 of this, in addition to an initiation fee or entrance dues of 50 cents, but in that case the new member must let his profits remain in the business until 1 and sometimes 5 or more shares are paid for. Most associations will buy back the shares of withdrawing members at par or permit their transfer to another. The former method is preferred by some associations, in order to prevent possible sacrifice of stock below par by needy and ignorant members.

2. The number of shares one can hold is usually limited to 100 and sometimes to 40.

3. Each stockholder has but one vote.

4. Goods are sold at the market price. The old method of selling at cost has been found weak in two respects. It often leads to sales below cost, because of miscalculation as to expenses and depreciation.



Then the attempt to sell at cost arouses the antagonism of private traders, who will sell staple articles below cost as an advertisement, and thus draw away the more ignorant and undeveloped cooperators. Even though the attempt be made, however, to sell at the market price, that price is often somewhat reduced in a place where there is a strong cooperative association, because of the efforts of private traders to retain their business.

5. Stockholders receive only a fixed rate of interest. In the East the average rate is 6 per cent and in the rest of the country it is 7 per cent.

6. Surplus earnings are divided among the customers according to their purchases. Usually stockholders receive twice as large a percentage as other customers.

7. Advertising, expensive rent, and some expenses of clerk hire and delivery of light goods are supposed to be saved by the presence of the cooperative spirit. In many American cooperative stores, however, orders are taken and goods delivered as in private stores.

The two tables following show the rate per cent of dividends returned to members on their trade for the year 1895-96—the first in 20 New England societies, the second in 13 societies outside of New England.

In 1895 the New England societies paid 6 per cent on their share capital, with the following exceptions in Massachusetts: The Arlington, at Lawrence, which paid 5 per cent; the Industrial, at New Bedford, which paid 5; the Hampden County, at Springfield, which changed to 6 in January, 1896; the Lawrence Equitable, which paid 5; the Lowell, which paid 4; the German Association, at Lawrence, which paid 7; the Plymouth Rock Cooperative Company, at Plymouth, which paid 8, and the Harvard, at Cambridge, and the Beverly associations, which, as usual, did not attempt to pay anything. Of the societies outside of New England those at Santa Paula, Cal., and Olathe and Wakefield, Kans., paid 8, 9, and 10 per cent interest, respectively, on their capital. Eight per cent was also paid at Ishpeming, Mich., and Green, Kans., 7 at Overbrook, Kans., and 6 at Cadmus, Kans., Trenton, N. J., and Jamestown, N. Y. Five was paid elsewhere, save at Los Angeles, Cal., and Emporia and Eureka, Kans., where nothing was paid in 1895, although 10 per cent has usually been paid at Eureka and 6 to 8 at Emporia.



DIVIDENDS ON MEMBERS' TRADE IN TWENTY NEW ENGLAND ROCHDALE  
SOCIETIES, 1895-96.

Name of society.	Location.	Dividends (per cent).
Lewiston Cooperative Society (a).....	Lewiston, Me.....	5.0
Lisbon Falls Cooperative Association.....	Lisbon Falls, Me.....	9.0
Sabattus Cooperative Association.....	Sabattus, Me.....	12.0
Farmers' and Mechanics' Exchange.....	Brattleboro, Vt.....	5.0
Arlington Cooperative Association.....	Lawrence, Mass.....	7.0
Beverly Cooperative Association.....	Beverly, Mass.....	5.0
Cambridge Cooperative Society.....	Cambridge, Mass.....	7.5
Cooperative Store Company.....	Silver Lake, Kingston, Mass.....	5.5
First Swedish Cooperative Store Company.....	Quinsigamond, Worcester, Mass.....	10.0
German Cooperative Association.....	Lawrence, Mass.....	7.0
Hampden County Cooperative Association.....	Springfield, Mass.....	3.0
Harvard Cooperative Society (a).....	Cambridge, Mass.....	7.0
Industrial Cooperative Association.....	New Bedford, Mass.....	3.0
Knights of Labor Cooperative Boot and Shoe Association.	Worcester, Mass.....	10.0
Lawrence Equitable Cooperative Society.....	Lawrence, Mass.....	7.0
Lowell Cooperative Association.....	Lowell, Mass.....	10.5
Plymouth Rock Cooperative Company.....	Plymouth, Mass.....	6.0
Riverside Cooperative Association.....	Maynard, Mass.....	5.5
West Warren Cooperative Association.....	West Warren, Mass.....	7.5
Woodlawn Cooperative Association.....	Pawtucket, R. I.....	2.8
Average dividend .....		6.8

a This society differs from the Rochdale plan in that it pays no interest on stock.

DIVIDENDS ON MEMBERS' TRADE IN THIRTEEN ROCHDALE SOCIETIES OUTSIDE  
OF NEW ENGLAND, 1895-96.

Name of society.	Location.	Dividends (per cent).
Trenton Cooperative Society.....	Trenton, N. J.....	8.0
Jamestown Cooperative Supply Company.....	Jamestown, N. Y.....	6.5
Ishpeming Cooperative Society.....	Ishpeming, Mich.....	6.0
Alliance Cooperative Association.....	Green, Kans.....	
Greenwood County Cooperative Association.....	Eureka, Kans.....	
Johnson County Cooperative Association.....	Olathe, Kans.....	4.0
Lyon County Alliance Exchange Company.....	Emporia, Kans.....	2.0
Osage County Cooperative Association.....	Overbrook, Kans.....	
Patrons' Cooperative Association.....	Cadmus, Kans.....	7.0
Wakefield Alliance Cooperative Association.....	Wakefield, Kans.....	2.0
Poplar Cooperative Association.....	Poplar, Cal.....	
Santa Paula Cooperative Association.....	Santa Paula, Cal.....	3.0
Socialists' Cooperative Store and Productive Association.	Los Angeles, Cal.....	7.0
Average dividend .....		3.5

The average rate of dividend on the trade of the members in 20 New England Rochdale stores in 1895 was 6.8 per cent, and in 13 outside of New England 3.5 per cent. According to the returns from 1,036,992 English cooperators, as published in the English Labor Gazette for June, 1896, only 1.3 per cent of the members received 5 per cent or less, while 14.2 per cent received from 5 to 10 per cent, 54 per cent of the members received from 10 to 15 per cent, and the remaining 30.5 per cent received over 15 per cent. In the 33 American associations just referred to, only 8 received over 7 per cent, and 4 of these over 9, the highest dividend of 12 per cent being given by an association with \$31,000 trade, at Sabattus, Me.

The larger dividends in the English associations may be partly due



to a larger excess of retail over wholesale prices abroad; but it is also in part, at least, due to the larger expenses here. The Oldham Equitable and the Oldham Industrial cooperative societies do not take orders for goods, and deliver comparatively few. Hence, they did business in 1895 with an expense of only 4.4 per cent and 6.6 per cent of their trade, respectively, and declared dividends on their trade of 15 per cent. The Manchester Equitable Society, on the other hand, taking orders and delivering goods, had an expense of 10 per cent on trade, and so could pay only 10 per cent dividends on the trade of its members. In all of the 1,486 cooperative societies of Great Britain, reported in the proceedings of the Twenty-eighth Annual Cooperative Congress of that country, the expenses in 1895, aside from interest and depreciation, were 6.2 per cent of the total business of £34,224,815 (\$166,555,062.20).

The expenses of the 15 New England societies from which returns on this head were obtained averaged 10.9 per cent of their trade of \$1,008,977.24. If the Harvard society, which does very little delivering to its college members, and the Sovereigns' Trading Company of New Britain, Conn., be omitted from the list, the other 13 will show an average expense of 13.3 per cent of their trade of \$723,825.83. Similarly the 13 societies from which returns were obtained, outside of New England, had an expense in 1895 of 9.6 per cent on their trade of \$577,368.16.

The two tables which follow give for 1895 the amount of sales, expenses, the per cent of expenses of sales, the number of employees, and the trade per employee for the New England societies and those outside of New England, respectively.

SALES, EXPENSES, AND NUMBER OF EMPLOYEES OF FIFTEEN ROCHDALE SOCIETIES IN NEW ENGLAND, 1895-96.

Name of society.	Expenses.	Sales.	Per cent of expenses of sales.	Employees.	Trade per employee.
Sovereigns' Trading Company (a) .....	\$6,000.00	\$150,000.00	4.0	13	\$11,538.43
Lisbon Falls Cooperative Association.....	4,417.61	53,867.19	8.2	6	8,977.87
Sabbatus Cooperative Association.....	2,500.00	31,000.00	8.1	2	15,500.00
Farmers' and Mechanics' Exchange.....	10,045.50	67,624.87	14.9	14	4,830.35
Arlington Cooperative Association .....	36,825.96	267,508.21	13.8	36	7,430.78
Beverly Cooperative Association.....	6,548.42	63,580.82	10.3	6	10,596.80
Cooperative Store Company.....	953.87	9,517.92	10.2	1	9,517.92
German Cooperative Association .....	2,124.00	36,037.00	5.9	3	12,012.33
Hampden County Cooperative Association.....	5,600.00	30,000.00	18.7	5	6,000.00
Harvard Cooperative Society (b).....	8,436.27	135,151.41	6.2	25	5,406.06
Knights of Labor Cooperative Boot and Shoe Association .....	3,708.82	15,417.85	24.1	4	3,854.46
Lawrence Equitable Cooperative Society .....	3,490.12	23,707.00	14.7	5	4,741.40
Lowell Cooperative Association.....	12,021.30	59,428.68	20.2	11	5,402.61
Riverside Cooperative Association.....	4,664.50	48,216.64	9.7	6	8,036.11
Woodlawn Cooperative Association.....	3,027.84	17,919.65	17.0	.....	.....
Totals and averages.....	110,364.21	1,008,977.24	10.9	137	7,364.80

a This society differs from the Rochdale plan in that it pays no interest but gives trade dividends.  
b This society differs from the Rochdale plan in that it pays no interest on stock.



## SALES, EXPENSES, AND NUMBER OF EMPLOYEES OF THIRTEEN ROCHDALE SOCIETIES OUTSIDE OF NEW ENGLAND, 1895-96.

Name of society.	Expenses.	Sales.	Per cent of expenses of sales.	Employees.	Trade per employee.
Trenton Cooperative Society.....	\$6,889.58	\$51,300.00	13.4	9	\$5,700.00
Jamestown Cooperative Supply Company.....	4,957.36	31,228.94	15.9	5	6,245.79
Ishpeming Cooperative Society.....	9,228.78	109,021.35	8.5	14	7,787.24
Alliance Cooperative Association.....	680.00	7,775.00	8.7	1½	6,220.00
Greenwood County Cooperative Association....	1,650.00	11,500.00	14.3	2½	4,600.00
Johnson County Cooperative Association.....	18,405.39	231,141.63	8.0	30	7,704.72
Lyon County Alliance Exchange Company.....	2,482.00	14,500.00	17.1	3	4,833.33
Osage County Cooperative Association.....	3,494.43	42,869.15	8.2	4	10,717.29
Patrons' Cooperative Association.....	2,200.00	28,000.00	7.9	4	7,000.00
Wakefield Alliance Cooperative Association....	2,888.54	31,174.97	9.3	4	7,793.77
Poplar Cooperative Association.....	375.64	2,594.99	14.5	1	2,594.99
Santa Paula Cooperative Association.....	600.00	7,000.00	8.6	2	3,500.00
Socialists' Cooperative Store and Productive Association.....	1,586.52	9,262.13	17.1	7	1,323.16
Totals and averages.....	55,438.24	577,368.16	9.6	86¾	6,655.54

From these two tables it appears that the societies that have an expense of over 14 per cent of the sales have also less than the average sales per employee. This average for the New England societies is \$7,364.80, and for the others \$6,655.54. There seems no connection between the size of a society and its expenses.

The test of expense, however, can not be fairly applied to a society until it is known to what extent rent of real estate is included in expense and how much should be added for interest on the capital, whether borrowed or owned by the society. In these tables rent is included where paid, but not interest.

In the following tables the capital of the societies hitherto considered is given, the business per \$100 of capital, the surplus and amount borrowed, together with the interest on the capital and on the amount borrowed, and the total expenses including interest.

## CAPITAL, SURPLUS, AMOUNT BORROWED, INTEREST AT 6 PER CENT, AND TOTAL EXPENSES OF FIFTEEN ROCHDALE SOCIETIES IN NEW ENGLAND, 1895-96.

Name of society.	Capital.	Business per \$100 capital.	Surplus.	Amount borrowed.	Interest on capital and amount borrowed.	Total expenses.	Per cent of total expenses of trade.
Sovereigns' Trading Company (a)...	\$21,000.00	\$714	.....	.....	\$1,260.00	\$7,260.00	4.8
Lisbon Falls Cooperative Association.....	8,155.00	661	\$2,210.32	.....	489.30	4,906.91	9.1
Sabbath Cooperative Association....	4,630.00	670	425.00	.....	277.80	2,777.80	9.0
Farmers' and Mechanics' Exchange.	45,000.00	150	1,026.00	.....	2,700.00	12,745.50	18.8
Arlington Cooperative Association....	120,664.89	222	19,000.00	.....	7,239.89	44,065.85	16.5
Beverly Cooperative Association....	8,000.00	795	1,971.00	.....	480.00	7,028.42	11.1
Cooperative Store Company.....	1,850.00	514	1,447.00	.....	111.00	1,064.87	11.2
German Cooperative Association....	1,690.00	2,132	1,000.00	.....	101.40	2,225.40	6.2
Hampden County Cooperative Association.....	5,500.00	545	275.00	.....	330.00	5,930.00	19.9
Harvard Cooperative Society (b)....	16,368.96	826	.....	.....	982.14	9,418.41	7.0
Knights of Labor Cooperative Boot and Shoe Association.....	3,405.00	453	593.17	\$1,337.50	284.55	3,993.37	25.9
Lawrence Equitable Cooperative Society.....	4,121.59	575	435.09	.....	247.30	3,737.42	15.8
Lowell Cooperative Association.....	15,525.00	383	4,657.50	.....	931.50	12,952.80	21.8
Riverside Cooperative Association..	11,895.00	405	4,714.41	9,850.08	1,304.71	5,969.21	12.4
Woodlawn Cooperative Association....	2,068.06	866	344.11	800.00	172.08	3,199.92	17.9
Totals and averages.....	269,873.50	374	38,098.60	11,987.58	16,911.67	127,275.88	12.6

a This society differs from the Rochdale plan in that it pays no interest but gives trade dividends.

b This society differs from the Rochdale plan in that it pays no interest on stock.



## CAPITAL, SURPLUS, AMOUNT BORROWED, INTEREST AT 6 PER CENT, AND TOTAL EXPENSES OF THIRTEEN ROCHDALE SOCIETIES OUTSIDE OF NEW ENGLAND, 1895-96.

Name of society.	Capital.	Business per \$100 capital.	Surplus.	Amount borrowed.	Interest on capital and amount borrowed.	Total expenses.	Per cent of total expenses of trade.
Trenton Cooperative Society.....	\$10,214.00	\$502	\$12,700.00	\$3,000.00	\$792.84	\$7,682.42	15.0
Jamestown Cooperative Supply Company.....	2,240.00	1,394	844.98	999.55	194.37	5,151.73	16.5
Ishpeming Cooperative Society.....	49,635.00	220	3,191.55	.....	2,978.10	12,206.88	11.2
Alliance Cooperative Association...	1,345.00	578	2,000.00	1,243.00	155.28	835.28	10.7
Greenwood County Cooperative Association.....	2,440.00	471	.....	2,726.00	309.96	1,959.96	17.0
Johnson County Cooperative Association.....	100,000.00	231	28,000.00	.....	6,000.00	24,405.39	10.6
Lyon County Alliance Exchange Company.....	2,924.00	496	1,869.00	.....	175.44	2,657.44	18.3
Osage County Cooperative Association.....	2,975.00	1,441	6,822.92	1,757.65	283.96	3,778.39	8.8
Patrons' Cooperative Association...	3,500.00	800	6,500.00	4,000.00	450.00	2,650.00	9.5
Wakefield Alliance Cooperative Association.....	5,348.00	583	.....	2,818.00	489.96	3,378.50	10.8
Poplar Cooperative Association.....	1,103.35	235	.....	400.00	90.20	465.84	18.0
Santa Paula Cooperative Association.....	2,000.00	350	57.00	.....	120.00	720.00	10.3
Socialists' Cooperative Store and Productive Association.....	578.30	1,602	89.64	.....	34.70	1,621.22	17.5
Totals and averages.....	184,302.65	313	62,075.09	16,944.20	12,074.81	67,513.05	11.7

It appears that 15 New England societies, with a total capital of \$269,873.50, a surplus of \$38,098.60, and an amount borrowed of \$11,987.58, had an average business in 1895-96 of \$374 per \$100 of capital and had a total expense of \$127,275.88, if interest at 6 per cent on the capital and amount borrowed but not on the surplus be included. This means an average expense of 12.6 per cent on the trade of \$1,008,977.24. Thirteen societies outside of New England, with a capital of \$184,302.65, a surplus of \$62,075.09, and with \$16,944.20 borrowed, did a business of \$313 per \$100 of capital and had a total expense of 11.7 per cent of the trade of \$577,368.16. There seem to be greater inequalities of expense in proportion to trade than can be accounted for by differences of location and of progressiveness in pushing forward, which, in the absence of a strong cooperative spirit, entails expense.

Outside of New England, and even in a measure there, as a large New York firm has written, any business house that could make both ends meet the past year is to be congratulated. It is a very fair record, therefore, that these cooperative societies present.

In most of them a depreciation of 10 per cent is yearly written off on the fixtures. The Arlington and some other societies have the excellent habit of never allowing in their inventory of merchandise a greater valuation than the original cost, and putting a lower valuation upon it if the market price has fallen.

Of 1,570 cooperative societies in Great Britain making returns in 1893 with respect to trusting, 59 per cent admitted giving credit, although it is contrary to the principles of the movement. Of 38 societies making



returns in this country, only 9 give no credit whatever. Many of the others, however, give but little credit, or limit it, as in England, to the value or to four-fifths of the value of the stock owned by the debtor. Others have a large amount of "bills receivable" among their assets. Trusting has been a prolific source of failure of cooperative societies in America, and many severe condemnations of it have been sent the writer by the secretaries or managers of some of these societies that have failed, as also of some of the existing societies. The New England societies do not trust as much as those farther west, although two Massachusetts societies, with a capital of about \$8,000 and \$15,000, respectively, report bills due them of nearly half of this. The second oldest cooperative society in the country a year ago (the Sovereigns' Cooperative Association of Webster, Mass., started in 1874), had in its by-laws for many years the words, "Never depart from the principle of buying and selling for ready money." But just before its failure in 1895 the manager, replying to the question to what extent the association trusted, wrote, "No limit, if a man is good for it!"

Ten societies report a considerable trade by their members at special discounts at private stores dealing in goods not kept by the societies. In some cases the members obtain this discount directly. In others, the discount is paid to the society and added to the other profits, an account being kept of the purchases of each member so that he may share in any dividend on these purchases. For example, the Lawrence Equitable Cooperative Society has a trade in its own store of \$23,707, and receives a 10 per cent discount on an outside trade of \$17,338.77. The Arlington Cooperative Association, with a trade of \$267,508.21, secures 10 per cent discount on an outside trade of \$67,541. The percentage in most at least of the few other cases is from 3 to 8 per cent.

A few cooperative societies secure discounts elsewhere, not only on boots and shoes, dry goods, coal and wood, hardware, oil, meat, bread, clothing, and furniture, but on bicycles, jewelry, watches, milk, musical instruments, laundry, photographs, athletic goods, and the services of the tailor, dentist, and physician.

The business directly done by the societies consists in almost all cases of the sale of groceries and the other goods usually sold in connection therewith in the ordinary private grocery. Dry goods, boots and shoes, and coal are sometimes added, more rarely meat.

The average wages of the 96 employees in 10 of the larger societies is \$609.64 per year. The average of the 102 employees in 24 societies of about the same character in the Manchester, Oldham, and Rochdale districts of England in 1895 was \$377.50. The average wages seem to be much higher in England when only one or two are employed than when there are many, but there seems to be no such difference here. There is hardly enough data to show whether this equality of wages in small and large American societies is due to our cooperative societies paying nearly as high wages to all employees as to the



manager, or to the location of the smaller societies in small places where all wages are low.

Appropriations for education along cooperative and other sociological lines do not equal in America even the three-fourths of 1 per cent of the net profits which is thus set aside in England. A very few societies, especially some of the new ones, are beginning to do something in this direction, notably those affiliated with the Cooperative Union to be described later.

Lawrence, Mass., has a larger proportion of members of cooperative societies than any other American city. In three societies there—the Arlington, the Equitable, and the German cooperative societies—there are 3,751 members, embracing about 19,000 persons, if each member is considered to represent a family of 5 persons. This is 36 per cent of the population of the city.

The oldest cooperative society is the Sovereigns' Trading Company of New Britain, Conn., which gives credit only for 30 days and not above the value of the share, worth \$94, which every one of the two hundred members owns. All the profits are absorbed by a 10 per cent discount to members on their trade. Even interest is not paid. This society, with a business of \$150,000, is one of the very few successful societies not on the Rochdale plan.

Another interesting society is the Harvard Cooperative Society, Cambridge, Mass., which places its shares at \$1, allows only one share to a member, pays no interest, but adds to the capital, now \$16,368.96, 10 per cent of the yearly profits and gives the rest as a dividend on trade. This dividend amounted in 1895 to 7 per cent of \$135,151.41.

Very few societies have branches, as in England, save the Arlington, with two branches and a large warehouse for storage in Lawrence, and the Johnson County Cooperative Association at Olathe, Kans., with branches at Gardner, Edgerton, Prairie Center, and Stanley, Kans. The latter society, although not having as rapid a growth as the Arlington, and only earning a little over 2 per cent on its total trade the past three years, after paying 10 per cent interest on its \$100,000 capital, has prospered fully as much as the community about it.

The Allegan Cooperative Association, started at Allegan, Mich., in 1874, does not give dividends on trade, but sells so near cost as to leave only enough to pay 5 per cent interest on its \$15,000 capital. The society is not considered cooperative by many because entirely controlled by its manager, who has held that office from the start, and who buys on his own personal credit instead of on that of the association. The number of members, once 840, has declined to 150, but the old members can still buy at the low prices, and the sales in 1895 amounted to \$140,000. Farmers' organizations as far west as Nebraska buy through the society because of its low prices.

The Texas Cooperative Association, started in 1878 at Galveston, did a business of over half a million dollars a year for several years in



direct sales of merchandise to members in the city and at wholesale to small cooperative societies in other parts of the State. Cotton was also marketed for the farmers and formed part of the large total trade mentioned above. The small local societies have now to a large extent died out. The trade of the central wholesale society was \$65,000 in 1894-95 and the commission business amounted to \$222,661.91. In 1895 the auditors wrote off \$70,139 of bad debts, and there was still left as due the association \$33,241.28. The other assets amounted to \$20,586.38. The surplus was thus made to disappear and the capital was virtually reduced from \$87,930.49 to \$17,490.49. Of the original capital, however, all but \$2,000 or \$3,000 had been withdrawn by those who had paid it in, so that the present capital has been formed out of the surplus profits. From this source has also come \$150,000 of cash dividends in the past.

The Zion's Cooperative Mercantile Institution, managed by the Mormons at Salt Lake City, Utah, since 1868, gives all its profits as dividends on its capital of \$1,077,000, owned by 600 stockholders, and so is not technically cooperative in any full sense, but is generally acknowledged to have in practice many cooperative elements. Little data on the subject have been obtained. It appears that the profits have averaged  $9\frac{1}{2}$  per cent during the past twenty-seven years and amounted to \$124,914.60 in 1895, although only 8 per cent dividend was paid that year. It not only does a retail business, but also sells largely at wholesale to the many smaller cooperative societies in the State. The employees consist of 207 men and 77 women.

At Lehi City, Utah, is located the Utah Sugar Company, with 700 members, 300 employees, \$320,000 stock (on which 10 per cent dividends are usually paid), and \$400,000 of 6 per cent bonds. Beet sugar is made there. All the profits appear to go to the stockholders, but there are some cooperative features.

Few societies in any part of the country limit membership save that the approval of new members by the directors is usually required. In Kansas, however, most of the societies admit only members of the Farmers' Alliance, the Patrons of Husbandry, or other farmers' or laborers' organizations. The society at Los Angeles, Cal., requires that the officers and employees shall be "Socialists in good standing in the sections where the business is done."

A few other societies are not mentioned in the tables. The Sovereigns' Cooperative Association at Dover, N. J., was started by the Sovereigns of Industry in 1874, and has continuously prospered on the Rochdale plan ever since. The 253 members receive 7 per cent interest on their \$28,000 capital. Only \$1,300 is in "debts receivable." From 5 to 9 per cent dividends are always divided on the trade, which in 1894 amounted to about \$62,000. There are at least four other Rochdale societies in New Jersey besides the one at Trenton. The Raritan



Cooperative Association, starting in 1886, has averaged 6 per cent on its capital, now amounting to \$6,715, and 7 per cent on its business, which has averaged \$75,000 a year. There were, in 1894, 175 members.

The Cooperative Association No. 1, at Phillipsburg, N. J., started in 1879, has had an average membership since 1890 of 114, an average business of \$28,000, a net profit of \$4,320, and a capital of \$1,875. At Phillipsburg is another society known as The People's Cooperative Association, with a trade of \$9,886 in 1895, on a capital of \$630, and a membership of 35 at the end of the year.

As a part of the Hammonton (N. J.) Fruit Growers' Union, which markets fruit cooperatively for its members, there is a successful Rochdale store. With total expenses, including interest at 6 per cent on \$11,600 of capital, of only 10.5 per cent of the \$61,427.43 trade, the net profits, besides 5 per cent of the capital for the reserve fund, was 10.7 per cent on the trade in 1895-96. This, however, and similar profits in the shipping department had to be devoted to paying a claim of \$3,067.76 damages for accidental injury to an employee in the shipping department. The society has a membership of 646, and for every \$100 of capital in the store did a business of \$528 in 1895-96.

There are two cooperative societies managed by the employees of N. O. Nelson—the St. Louis Cooperative Store, started in 1894, and now having about 150 members and \$15,000 trade on the Rochdale plan, and, conducted in the same way, the Leclaire Cooperative Store at Mr. Nelson's works at Edwardsville, Ill., started in 1893, and having about 50 members and \$3,500 trade.

Partial returns have been received from a few other societies. There is a Rochdale society in Pittsburg, Pa., the Integral Cooperative Association, started July 1, 1894. During its sixth quarter it did a business of \$8,498.33, and during its eighth quarter, \$9,494.84. The trade dividends averaged over 8 per cent during 1895-96 on a business of about \$30,000. There should also be mentioned the Central New York Cooperative Company at Oneida, open only to the Patrons of Husbandry, and other small but very promising Rochdale societies at South Worcester, Rockland, Haverhill, Lynn, Dorchester, and Brockton, Mass. Most of these latter societies, as well as several others not yet fully organized in Massachusetts, began in 1895 as purchasing clubs. Saving the profits and following the lead of the energetic Cambridge Cooperative Society, regular cooperative societies have now been organized.



In the following tables is given, according to the latest returns available, the membership of most of the cooperative societies in New England and outside of New England:

## MEMBERSHIP OF NEW ENGLAND COOPERATIVE SOCIETIES.

Name of society.	Location.	Members- ship.
Sovereigns' Trading Company.....	New Britain, Conn.....	200
Lewiston Cooperative Society.....	Lewiston, Me.....	125
Lisbon Falls Cooperative Association.....	Lisbon Falls, Me.....	275
Sabbattus Cooperative Association.....	Sabbattus, Me.....	125
Farmers' and Mechanics' Exchange.....	Brattleboro, Vt.....	509
Woodlawn Cooperative Association.....	Pawtucket, R. I.....	174
First Swedish Cooperative Store Company.....	Quinsigamond, Worcester, Mass.....	262
Harvard Cooperative Society.....	Cambridge, Mass.....	1,909
Cambridge Cooperative Society.....	do.....	185
Riverside Cooperative Association.....	Maynard, Mass.....	398
Hampden County Cooperative Association.....	Springfield, Mass.....	184
Knights of Labor Cooperative Boot and Shoe Association.....	Worcester, Mass.....	201
Cooperative Store Company.....	Silver Lake, Kingston, Mass.....	123
Plymouth Rock Cooperative Company.....	Plymouth, Mass.....	82
Arlington Cooperative Association.....	Lawrence, Mass.....	2,850
Lawrence Equitable Cooperative Society.....	do.....	732
German Cooperative Association.....	do.....	169
Industrial Cooperative Association.....	New Bedford, Mass.....	410
Beverly Cooperative Association.....	Beverly, Mass.....	188
Dorchester Cooperative Association.....	Dorchester, Mass.....	20
Lowell Cooperative Association.....	Lowell, Mass.....	1,130
West Warren Cooperative Association.....	West Warren, Mass.....	196
Haverhill Cooperative Society.....	Haverhill, Mass.....	45
Lynn Cooperative Society.....	Lynn, Mass.....	60
Rockland Cooperative Society.....	Rockland, Mass.....	60
The Hub Cooperative Emporium.....	Boston, Mass.....	80
Total membership.....		10,692

## MEMBERSHIP OF SOCIETIES OUTSIDE OF NEW ENGLAND.

Name of society.	Location.	Members- ship.
Trenton Cooperative Society.....	Trenton, N. J.....	465
Hammononton Fruit Growers' Union and Cooperative Society..	Hammononton, N. J.....	646
Vineland Fruit Growers' Union and Cooperative Society.....	Vineland, N. J.....	54
Sovereigns' Cooperative Association.....	Dover, N. J.....	253
Raritan Cooperative Association.....	Raritan, N. J.....	175
Cooperative Association No. 1.....	Phillipsburg, N. J.....	114
Jamestown Cooperative Supply Company.....	Jamestown, N. Y.....	217
Integral Cooperative Association.....	Pittsburg, Pa.....	300
Allegan Cooperative Association.....	Allegan, Mich.....	150
Ishpeming Cooperative Society.....	Ishpeming, Mich.....	350
Zumbrota Mercantile and Elevator Company.....	Zumbrota, Minn.....	294
Texas Cooperative Association.....	Galveston, Texas.....	300
Greenwood County Cooperative Association.....	Eureka, Kans.....	165
Lyon County Alliance Exchange Company.....	Emporia, Kans.....	373
Johnson County Cooperative Association.....	Olathe, Kans.....	900
Osage County Cooperative Association.....	Overbrook, Kans.....	108
The Alliance Cooperative Association.....	Green, Kans.....	97
Wakefield Cooperative Association.....	Wakefield, Kans.....	154
Patrons' Cooperative Association.....	Cadmus, Kans.....	217
Zion's Cooperative Mercantile Institution.....	Salt Lake City, Utah.....	600
Socialists' Cooperative Store and Productive Association....	Los Angeles, Cal.....	102
Santa Paula Cooperative Association.....	Santa Paula, Cal.....	50
Peoplar Cooperative Association.....	Peoplar, Cal.....	26
Total membership.....		6,115

The New England membership early in 1896 was 10,692, and the membership elsewhere, 6,115. These, together with 6,000 in the labor exchanges, constitute a total of 22,807. There are known to be several, and perhaps over 20 cooperative societies outside of and even in New



England, from which no reports have been made. These would increase the total membership to 25,000 at least. The trade of the 20 leading cooperative societies in New England with a membership of 10,242 amounts to \$1,174,000, or \$114.63 per member. The trade of 21 others with 5,465 members was \$1,198,000 in 1895, or \$219.21 per member. The Zion's Cooperative Mercantile Institution is not included. The sales of 1,111 British cooperative societies with 1,414,158 members in 1895 averaged £37 2s. 8d. (\$180.71) worth of goods per member, or a total of £52,512,126 (\$255,550,261.18).

### COOPERATION AMONG TRADE UNIONS.

Cooperation among the trade unions has almost no permanent success, although it has sometimes proved a temporary resource while men were on a strike. Mr. Henry White, general secretary of the United Garment Workers of America, writes that the many cooperative efforts in his trade have resulted in failure because of disagreement respecting the management and the selection of officials and because the attempt was made to pay higher wages and exact less work than in the other shops. Mr. Henry Weissmann, head of the bakers and confectioners, writes: "We have had cooperation in Brooklyn, Boston, Baltimore, and Philadelphia; all unsuccessful. It is lack of education and business qualifications, and more especially the latter, that produced these failures."

### UNION OF COOPERATIVE SOCIETIES.

Apart from Utah, there are five centers of the cooperative movement in America—California, Kansas, Texas, New Jersey, and Massachusetts. An attempt is now being made to federate the various Kansas societies engaged in different forms of cooperative effort, and the first congress for this purpose was held at Topeka in April. An attempt was made to secure a similar union of all parts of the country in a convention at St. Louis the last of July, but it was largely swallowed up by the Populist convention there the same week. Most of those attending came not as delegates of cooperative societies, but as individuals. Yet a national organization was effected, called the American Cooperative Union, with Alonzo Wardall, of Topeka, Kans., as president, and Imogene C. Fales, of Bensonhurst, N. Y., secretary.

Another attempt at union was made in September, 1895, when the Cooperative Union of America was founded in the eastern part of Massachusetts. At the first conference under the auspices of this union, June 6, 1896, representatives of twelve societies and of nearly 1,500 members were present. Rev. Robert E. Ely and Mr. James Rhodes, both of the Cambridge Cooperative Society, were made president and secretary, respectively, and after an enthusiastic meeting arrangements were made for a larger conference in October. After providing for the name



of the union as given above, and declaring that the object is to promote cooperation on the Rochdale plan in America, the rules proceed:

#### ARTICLE III.—*Membership.*

1. Persons in sympathy with the Rochdale plan of cooperation may, upon the approval of the office committee, become members of the union by paying a fee of \$1 per year. This fee includes a year's subscription to the organ of the union, the Cambridge Magazine.<sup>(a)</sup>

2. A cooperative society, a trade union, and any other organization may, upon approval of the office committee, become a member by paying an annual fee equal to not less than 2 cents per annum for each of its members.

#### ARTICLE IV.—*Government.*

1. Until a sufficient number of societies shall have become members to enable them to elect representatives after the manner of the cooperative union of Great Britain, the union shall be managed by a general board, called the central board. The members of the central board shall be appointed by the office committee, subject to confirmation by the union at the annual meeting in each year. Twelve members of the central board shall constitute a quorum.

2. The central board after its election at the annual meeting shall choose from its membership an office committee for the ensuing year of nine persons. This committee shall have direct charge of the work of the union.

3. The office committee shall elect from its own number a president, vice-president, treasurer, recording secretary, and general secretary of the union.

#### ARTICLE V.—*Meetings.*

1. The annual meeting of the union shall be held sometime about October in each year. Fifteen members shall constitute a quorum. Special meetings may be held at any time at the call of the office committee.

2. The central board shall meet just prior to the annual meeting. Special meetings may be held at any time, at the call of the office committee.

3. The office committee shall meet at least once a month.

#### ARTICLE VI.—*Amendments.*

These rules may be amended by a two-thirds vote of the members present at any meeting of the central board.

In cooperation two things are necessary for any large or enduring benefit. First is needed a moral enthusiasm, a true cooperative spirit, joined to a careful study, by all the cooperators, of the underlying principles of the movement. Cooperation is in spirit a sense of brotherhood—a willingness to subordinate the individual to the general good of at least all who can be induced to affiliate. As Thomas Hughes once stated, where financial success, by the accident, it may be, of an excellent manager, comes to a society that is devoid of this spirit, the very success gives birth “to a greedy desire for gain rather than to those higher and more elevating feelings which we have all supposed to be the legitimate result of a true and earnest cooperation.” Referring to the ease with which cooperative conventions dissolve without accomplishing anything, an active worker in the movement writes of

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<sup>a</sup> Later known as the American Cooperative News, published monthly.



how much easier it is for the American people to "co-talk" than to "co-work." On the other hand, however, many cooperative enterprises have failed for lack of a good manager and of ordinary business capacity among the members. This is the second need. The fact, for example, that the Arlington Cooperative Society is now only exceeded in membership by 99 out of nearly 1,500 English societies and in trade by only 149 has undoubtedly stimulated the formation of other societies. While a truly cooperative society is not likely to buy sweat-shop goods or work its employees long hours, it is apparently true, as a general proposition, that cooperative distribution is not a new method of doing business, but a new method of dividing profits, together with a democratic system of control on the part of members intelligently united and ready to accept the leadership of those best qualified.

### LABOR EXCHANGES.

A very novel development has lately appeared in the cooperative movement. It is known as the Labor Exchange, and seems to have owed its origin to Mr. G. B. De Bernardi, of Independence, Mo., who organized it under the laws of Missouri in 1889 and is still president of the national organization.<sup>(a)</sup>

Those desiring to form a labor exchange in a place usually pay \$1 apiece as entrance fee. The local exchange thus formed then sends \$2.50 to the central office at Independence for labor exchange blanks, and invites any member to deposit with it any product of labor and receive therefor an exchange check of the same denomination as the officers think would be the local wholesale price in money. These goods are then marked up to the usual retail price. A depositor may use his check to buy from the exchange anything he finds there that he wants. By virtue of this redeemability in goods, though never in legal money, private merchants and others are to some extent induced to accept these checks as money, writes Mr. De Bernardi, but sometimes only at a discount. For the present all profits are devoted to the extension of the movement. In theory, however, the profits belong to the depositors, and if ever withdrawn would be apportioned in proportion to the length of time of the individual deposits. The principal underlying interest is thus acknowledged, but no direct interest payment is now made. Goods deposited may be sold to outsiders for these checks or for legal money, and in order to enable the societies to purchase some needed supplies elsewhere members are encouraged to deposit legal money as well as other property. A depositor may receive either a check or a certificate of deposit. The latter has upon its face blank lines for the name of the depositor, the date, and the amount of the deposit. On the reverse side appear the words: "This certificate of

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<sup>a</sup> See *The Trials and Triumphs of Labor*, by G. B. De Bernardi; also, *The Progressive Handbook of the Labor Exchange*, by E. Z. Ernst.



deposit is not redeemable in legal tender, but receivable by the Labor Exchange Association in payment for merchandise, for services, and for all debts and dues to the same, and it is based upon and secured by the real and personal property in the keeping of the association, at the branch of issue. The property held for the redemption of this certificate can not, as per charter, be mortgaged nor pledged for debts, nor can it be withdrawn, but may be exchanged by the association for other property of equal value. Pay to ———, depositor." Labor checks are issued of all denominations from  $\frac{1}{100}$ , which is really of the same value, or meant to be, as 1 cent, to 20, which is the equivalent of \$20. On the face of the checks appear the value and the words: "Balance due bearer in labor or the products of labor by Labor Exchange, Branch No. —," followed by the location of the exchange and the year of issue. Since these obligations are not redeemable in money, the United States Treasury Department has decided that they are not subject to the 10 per cent tax on circulation.

The Labor Exchange of Topeka, Kans., did a business in 1895 of \$10,000 at an expense of \$1,500 and with a net profit of \$1,000. The goods on hand at the end of the year belonging to the 40 members was \$1,200. The capital is returned as \$1,000.

Although the oldest branches were started among the wage workers of large cities, more success has come with branches in small towns and rural districts.

Mr. De Bernardi writes:

The distinctive characteristic of the labor exchange from other forms of cooperation is, that we regard true cooperation impossible within one industry. We do not believe that farmers, for instance, can organize cooperation among themselves. They can only combine against other classes. What is true of farmers is true of manufacturers, of railroad men, of carpenters, tailors, cigar makers, etc. Each separate industry can only combine to raise the price of their labor or lower the price of others' labor to their own personal benefit. True equitable cooperation is only operative between two or more branches of industry.

Farmers can cooperate with other industries, and interchange products and keep each other employed. So in every other industry, we are endeavoring to form a universal cooperation of this character, and have now (June 26, 1896) 135 branches scattered in 32 States, and a membership of 6,000, comprising almost every trade, profession, and calling.

Many of these branches are engaged in profitable enterprises. Especially will I name Branch No. 11, of Pfafftown, N. C. This branch, situated in a village of 100 souls, all poor, with no money or employment visible, went to work first at making brick, then building storehouses, then putting up a tannery and tanning hides on shares, then a sawmill and gristmill, etc. Thus the labor exchange infused life and energy in a financially dead country, and what has been done, and is being accomplished at Pfafftown we believe can be done all over the United States, and thus bring prosperity to the country without binding ourselves to foreign capitalists or mortgaging our property for the use of useless money.

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Our leading object is to employ idle labor without lowering the customary wages, and interchange labor's products without competing with customary prices. As we issue certificates for deposits, we need have no fear of losing our customers, for we hold the final redemption for the outstanding certificates at par. Even if merchants or others should honor our checks (as in many places they are doing), these checks would finally come home for final redemption. Hence, we need no stimulus in low prices or rebates to attract our customers.

We are not a profit-sharing, but a benevolent, association. Hence, our increase, if any, is used to extend the field of operations, to open additional enterprises, and thus employ more labor—all, however, for the benefit of the associates. But should a member or his family stand in need of assistance, appropriation would be made for his or their benefit. Beyond this we let the future take care of the profits.

We aim to capitalize the deposits of work and products for the benefit of depositors; or, to express it more clearly, we propose to let the members insure to themselves employment and means out of the revenues which, under the present monetary system, would be absorbed by the capitalists.

Following is also appended the distinctive parts of the by-laws of one of the twenty-two southern California labor exchanges, which, though only about a year old, has over 200 members.

#### BY-LAWS.

##### ARTICLE I.—*Name.*

This association shall be known as the "Los Angeles Branch of the Labor Exchange, No 39," acting under a charter granted by the General Labor Exchange with headquarters at Independence, Mo., and in conformity with the laws, rules, regulations, and charter granted to G. B. De Bernardi and others, under the laws of the State of Missouri, as a benevolent, industrial, and educational association.

##### ARTICLE II.—*Location.*

The business headquarters of this branch shall be in the city of Los Angeles, County of Los Angeles, State of California.

##### ARTICLE III.—*Purposes.*

SECTION 1. The objects of this association are to provide employment for those who are idle by facilitating the interchange of commodities and services among the members and the public.

SEC. 2. To alleviate the suffering incident to, and avert the social dangers which may arise from a constantly increasing class of unemployed by furnishing useful occupation and saving the wealth thus produced for the use and benefit of actual producers and their dependents.

SEC. 3. To lighten the burden of charitable institutions by establishing one that employs the idle on a basis of justice.

##### ARTICLE IV.—*Membership.*

Any member of the General Labor Exchange may become a member of this branch by signing the constitution and by-laws, and there shall be no initiation fees, dues, or assessments.

##### ARTICLE V.—*Duties of members.*

It shall be the duty of members to interest themselves, as much as they are able, in the welfare of the branch, to promote its interests by word, act, and example, to give employment to its members in preference to others, all things being equal, and



to trade at the depository so long as it offers equal advantages in quality and price of goods. All such members shall be considered active.

ARTICLE VI.—*Withdrawals.*

A member may withdraw from this branch at any meeting by giving notice of intention at any previous regular meeting and directing the secretary to strike his name from the roll. Such action shall not affect his standing in the General Labor Exchange. Any property conveyed to the branch can not be recovered; the title to which and the possession thereof must remain in and with the Labor Exchange.

ARTICLE VII.—*Officers.*

SECTION 1. The officers of this branch shall be a president, vice president, secretary, accountant, statistician, and seven directors.

SEC. 2. Excepting the first term, all officers shall be elected for one year.

ARTICLE VIII.—*Election of officers.*

The annual election of officers shall occur on the first Tuesday in September of each year. All officers shall hold office until their successors are elected and installed.

ARTICLE IX.—*Removal of officers.*

SECTION 1. Any officer, director, or committeeman may be removed at any time by a majority vote of all the members present at a regular meeting. Such officer, director, or committeeman must first be notified in writing in a regular meeting to appear before a subsequent special or regular meeting, the date of which to be then determined in open meeting, to show cause why he shall not be removed.

ARTICLE X.—*Duties of officers.*

SECTION 1. It shall be the duty of the president to preside over all meetings, to sign labor checks and other checks, contracts and papers requiring an official signature, and attend to any matter directed by the General Labor Exchange, and to all duties devolving upon and accustomed to be performed by that officer.

SEC. 4. The accountant shall keep the books and accounts of the association, have charge of all bills, vouchers, etc. He shall countersign and issue all labor checks after they have been signed by the president and perform all the clerical duties belonging to his office and such as may be required by the board of directors. He shall give bond in the sum of \$5,000, which sum may be changed at any time by the branch and raised at the discretion of the board. He shall also act as treasurer of the branch.

SEC. 7. The statistician shall have charge of the collection and distribution of statistical reports, presenting as full exhibits as can be obtained of the condition and wants of the association.

ARTICLE XI.—*Neglect of official duty.*

The absence of any officer—unless from some unavoidable cause, the same to be determined by the board of directors—from three consecutive meetings, or neglect to perform official duties, shall be deemed equivalent to a resignation of office, and the directors shall proceed to fill such vacancy until the next meeting of the branch.

ARTICLE XII.—*Committees.*

SECTION 7. It shall be the duty of the relief committee to visit sick members and to provide for their necessities so far as the funds set apart for that purpose by the branch may admit.

SEC. 8. The library committee shall devise ways and means for a free library. They shall select the books, papers, magazines, etc., and, with the advice and consent of the board of directors, provide and maintain a room to which the public may be invited.



SEC. 9. The programme committee shall have charge of all entertainments that may be given by the branch.

SEC. 10. The auditing committee shall audit the books and accounts of all officers once in three months and make a written report to the branch at its next regular meeting.

#### ARTICLE XVI.—*Discipline.*

Charges may be preferred against any member at any regular meeting, indictments to be signed by at least two members and written in duplicate, one copy to be given to the accused, the other filed with the secretary. At the next regular meeting after the date of presenting charges a jury of nine, chosen by lot from among those present, shall be selected to try the case as soon as practicable, the time and place of the trial to be determined by the jury. Their decision shall be final except when the verdict is expulsion, in which case appeal may be had to the membership at a special meeting, date to be announced at the first subsequent regular meeting after the trial is concluded. If the defendant does not signify his readiness for trial within the limit of time above stated, the case shall, at the expiration of that time, proceed as though he had.

The accused may be assisted by any member as counsel.

#### ARTICLE XVII.—*Employment bureau.*

There shall be a free employment bureau in charge of the secretary at the office of the exchange, which shall be open to all members. All who so desire may register for help or situations wanted. The secretary shall make effort to fill all orders.

### COOPERATIVE SHIPPING ASSOCIATIONS.

Although it is not the purpose of this paper to describe the cooperative shipping of fruit by the farmers, a brief reference may be made to the existence of such associations in California, northern Ohio, New Jersey, Georgia, and some other States. In California there are forty-four fruit exchanges that both dry fruit and market it in the great markets of the country. Eight of the southern California fruit exchanges have united for some purposes and selected an executive board, with headquarters at Los Angeles, but the attempts that have been made at different times to form an efficient State association have thus far failed.

About one-fourth of the grapes grown in northern Ohio in 1895 were shipped out by the Northern Ohio Grape Company, a cooperative marketing society. Since nonmembers, however, receive many of the benefits resulting from the steadiness of the market price effected by the distribution of fruit with this end in view by the cooperative societies, many do not join these associations. Other difficulties have also been met. Little success seems to have been attained in Delaware, but 90 per cent of the fruit growers of Georgia have joined the association of that State, and among other things have been instrumental in reducing freight rates on their shipments.

Success has also attended the Fruit Growers' Union and Cooperative Society at Hammonton, N. J., whose grocery department is described on a previous page. This association in 1895 shipped 1,870,506 quarts of berries, or about the average of the previous two years. It also



shipped 24,487 baskets of peaches, 2,884 barrels of pears, 621 barrels of apples, 29,370 pounds of grapes, and 10,680 quarts of plums. Although the shippers received a good price through the society, the usual profits of both this and the grocery department were absorbed in the payment of a claim for damages to an employee. In 1895 a by-law was adopted that "members shipping to commission houses not entered on our books, except in cities where we do no business, shall forfeit the sum of 3 per cent on the gross sales of all such shipments, this amount to be taken from such offending member's dividend. They shall also forfeit all privileges of the society for that year."

As an example of another type of shipping association, mention may be made of the Springfield (Mass.) Cooperative Milk Association, which collects milk from its 159 members, sells from its own carts at retail about one-fifth of the 3,000,000 quarts thus yearly gathered, wholesales about one-half of it to milk peddlers, and makes the rest into butter. The members of the association thus have a steadier market and, if living many miles from the city, they also get a higher price than would be secured without such an association. The average price obtained by the farmers usually is between 2.8 and 3 cents a quart, the retail price being 6 cents. This association is steadily growing and claims to supply one-half of the milk used in Springfield. The capital now amounts to \$23,640 and members receive 6 per cent interest on their investment. Many not desiring to join this association sell their milk to it at 95 per cent of the price paid the members. No member is allowed to sell milk save to the association, either directly or indirectly, under penalty of forfeiture of his stock, or such other punishment as the directors see fit to impose, while there are very minute and rigid regulations for the proper care of the milk.

### LAWS RELATING TO COOPERATION.

In Massachusetts the law allows any seven persons to form a cooperative society, but requires that the capital must be at least \$1,000, and that paid in before business is begun. This is said by some to stand in the way of cooperative societies that otherwise might be able to start in a small way and then grow, as did the famous Rochdale society. In practice, some feeble societies are able to start by beginning as purchasing clubs, dividing a large order among themselves at the common retail price and saving the profits, until the \$1,000 is accumulated. When the capital stock is increased, it can not be sold below par. Such a company can not alter its business from that specified in its articles of incorporation without the unanimous consent of its stockholders. This is thought to prevent the formation of a wholesale society by the retail cooperative societies, as in England and Scotland; but if that be the correct interpretation of the law, it will doubtless be amended as soon as there is any desire for such a society. In common with all



other corporations, a cooperative society in Massachusetts is obliged to make a yearly report to the secretary of state as to its capital stock, the amount paid up, the name and holdings of each shareholder, "and the assets and liabilities of the corporation, in such form and with such detail as the commissioner of corporations shall require or approve." This section is superior to that of most States, but in the case of cooperative societies should be supplemented, as in Great Britain, with the requirement that in the publication of the returns there should be included the number of members, the annual trade, the rate of dividends, the expenses by items, and a few other items. There is, of course, no secret about these items in the town where the society is located, but their wider publicity would help along the movement.

In Massachusetts no one can hold over \$1,000 of stock in a cooperative association. Dividends, if there are any to divide, must be declared at least once a year, but before any distribution can be made at least 10 per cent of the net profits must be added to a sinking fund until it equals 30 per cent of the capital. Cooperative societies are also exempted from the weekly payment law, unless the employees request it, and \$20 worth of stock in such a society in the hands of a member is exempted from attachment for debt.

In contrast with the many excellences of the Massachusetts law is that of Illinois, which prohibits shares under \$50 and allows them to be \$2,000, while no one can hold more than one share. Dividends must be in proportion to the work or product of each shareholder. "If in any kind of industry it should be impossible to assign all shareholders to equally advantageous positions or locations in work, the association may provide that shareholders shall periodically change places, or provide any other method of equalizing such matters in accordance with justice and equity." No association can employ anyone except a stockholder, but the latter can do so when sick, and in case of his death his legal representative may appoint a worker and so keep the dividends. The principle of unlimited liability by the stockholders for all debts prevails. It is evident that the framers of this law either knew nothing of cooperation or intended to have none in Illinois.

California enacted a law of some value on this subject in 1895. Connecticut, Minnesota, New York, Michigan, Wisconsin, Ohio, and a few other States have legislated, but usually in a very defective way. Outside of Massachusetts the only two States that have any at all adequate cooperative legislation are Pennsylvania and New Jersey.

The distinctive features of the Pennsylvania law are, (1) prohibition of all giving of credit (as in Wisconsin in cooperative distribution); (2) requirement that at least 25 per cent of the net profits be set aside for propaganda and as a social fund; (3) dividends must be given on the wages and salaries of employees at the same rate as on the trade of members, while nonmembers must receive one-half as high a rate on their trade, but the directors may credit profit dividends toward the



payment of stock, until it reaches the limit allowed; (4) before profits are divided, as they must be quarterly according to these general Rochdale principles, the fixtures and machinery must be depreciated at the rate of 10 per cent yearly and the buildings 25 per cent; (5) besides certain other purposes for which deductions must be made, the law requires the formation of a reserve fund, to which all fines and forfeitures must be carried (the Massachusetts law, which requires the setting aside of 10 per cent of the profits until a surplus is formed equal to 30 per cent of the capital, is better on this point); (6) division of the capital into (a) "permanent," nonwithdrawable stock, transferable as the by-laws may determine, and paying 6 per cent interest, of which stock every member must have at least one share, and (b) "ordinary" stock, paying 5 per cent, and which may be repaid, transferred, or withdrawn, in accordance with the by-laws; (7) shares of either kind may be from \$5 to \$25 value, and no one can hold over \$1,000 without consent by a vote of the members.

The New Jersey law, while lacking a few excellent features, and perhaps not on the whole much superior to that of Massachusetts or Pennsylvania, is yet sufficiently complete to merit insertion in full. The chief feature of the law, passed in 1884, is its requirement of full details in the by-laws, that there may be no misunderstanding afterwards. Reports to the State, though not sufficiently complete, are required. Proxy voting is forbidden. Every stockholder is liable for the debts of the society, up to the full par value of his share, if all has not been paid in. A cooperative society may invest one-third of its capital in another society, thus rendering legal a wholesale society on the English basis. The following is the law of New Jersey relating to cooperative societies, approved March 10, 1884:

AN ACT TO PROVIDE FOR THE FORMATION AND REGULATION OF COOPERATIVE  
SOCIETIES OF WORKINGMEN.

1. That it shall be lawful for any number of persons, not less than seven, residents in this State, to associate themselves into a society for the purpose of carrying on any lawful mechanical, mining, manufacturing, or trading business, or for the purpose of trading and dealing in goods, wares, and merchandise or chattels, or for the purpose of buying, selling, settling, owning, leasing, and improving real estate and erecting buildings thereon, within this State, upon making and filing a certificate of association, in writing, in manner hereinafter mentioned, and as such shall be deemed to be a corporation and to possess all the powers incident thereto.

2. That such certificate of association shall set forth:

I. The name assumed to designate such society and to be used in its business and dealings, which name shall have the word "cooperative" as a distinguishing part thereof, but shall in no respect be similar to that of any other society organized under this act.

II. The place or places in this State where the business of such society is to be conducted and the location of the principal office of the same.

III. The objects for which the society shall be formed.

IV. The total amount of capital stock of such society, the number of shares into which the same is divided, the par value of each share, the manner in which the



installments on the shares shall be paid, the number of shares subscribed, and the amount actually paid in cash on account of the same.

V. The terms of admission of the members.

VI. Mode of application of profits.

VII. The mode of altering and amending the certificate of association and the by-laws of the society.

3. That the said certificate of association shall be signed by the persons originally associating themselves together, and shall be proved or acknowledged by at least seven of them, before an officer qualified to take acknowledgments of deeds of real estate, and after being approved by the chief of the bureau of statistics of labor and industries shall be recorded in the office of the clerk of the county where the principal office or place of business of such society shall be established, and a copy of such certificate shall be filed in the office of the chief of the bureau of statistics of labor and industries.

4. That the business of every such society shall be managed and conducted by a board of not less than five directors, who shall respectively be members of said society, and shall be annually elected at such time and place as shall be provided in the by-laws of the society, and one of such directors shall be chosen president and one of them shall be chosen treasurer, and such directors and officers shall hold their respective offices until their successors are duly qualified; and that such society shall also have a secretary and such other officers, agents, and factors as may be necessary to carry on its business, and shall choose them in the manner prescribed in the by-laws thereof.

5. That the first meeting of such society shall be called by a notice signed by a majority of the persons named in the certificate of association, and designating the time, place, and purpose of the meeting, and shall be personally served on all the persons signing said certificate, or by advertisement in a newspaper published in the county where such society shall have been incorporated, if such personal service can not be made; and at such meeting so called, or at any adjourned meeting thereof, a majority of the persons so signing shall constitute a quorum for the transaction of business, and shall have power to elect the directors and other officers provided for in section 4 of this act, who shall serve until their successors duly qualify, and to adopt by-laws, rules, and regulations for the government of such society.

6. That the by-laws of such society shall provide:

I. For an annual meeting of the members thereof, and such other regular and special meetings as may be deemed desirable, the number of members necessary to constitute a quorum for the transaction of business and the right of voting at the same.

II. For the election of directors and other officers, agents, and factors, and their respective powers and duties.

III. For the limitation of the amount of such real and personal estate as the purposes of the society shall require.

IV. Whether the shares, or any number of them, shall be transferable, and in case it be determined that the same shall be transferable, provision for their transfer and registration, and the consent of the board of directors to the same; and in case it shall be determined that the shares shall not be transferable, provision for paying to members the balance due to them on withdrawal, or of paying nominees in cases hereinafter mentioned.

V. How members may withdraw from the society.

VI. Whether and by what authority any part of the capital may be invested in or on security of another society through which its products are disposed of or its supplies secured.

VII. Whether and to what extent credit in its business transactions may be given or taken.

VIII. In what sum and with what sureties the treasurer and other fiduciary



officers or agents shall give bonds for the faithful performance of their respective duties.

IX. For the audit of accounts.

X. For the distribution of the net profits.

XI. For the custody, use, and device of the seal, which shall bear the corporate name of the society.

7. That every society incorporated under this act shall paint or affix, and shall keep painted or affixed, its name on the outside of every office or place in which the business of the association is carried on, in a conspicuous position, in letters easily legible.

8. That every society incorporated under this act shall have a registered office to which all communications and notices may be addressed, and notices in writing of the location of such office, and of any change therein, shall be filed with the chief of the bureau of statistics of labor and industries, and in the office of the clerk of the county where the office of such society is located.

9. That the capital stock of such society shall be divided into shares the par value of which shall not be more than \$50, and no share shall be issued for less than its par value; and that no certificate of shares shall be issued to any member until the shares are fully paid up.

10. That no member of such society shall be entitled to more than one vote upon any subject, which vote must be cast in person; and that the board of directors shall have power, unless otherwise provided in the by-laws of the society, to fix and regulate the number of shares to be held by any one member.

11. That any society incorporated under this act may hold in its corporate name any amount of interest in any other society through which its products are disposed of or its supplies secured: *Provided*, That such interest so held shall not exceed one-third in value of the paid-up capital of the society holding said interest.

12. That the board of directors of every society incorporated under this act shall annually make a statement in writing of the condition of such society, setting forth the amount of capital stock, the number of shares issued and the par value thereof, the number of stockholders and the number of shares held by each, the amount and character of the property of the society and of its debts and liabilities; and said statement shall be signed and sworn to by a majority of directors, including the treasurer, and filed in the office of the clerk of the county where the principal office of such society is located, and that immediately thereafter a copy of such statement shall be forwarded to the chief of the bureau of statistics of labor and industries, who, if he shall have reason to doubt the correctness of such statement or upon the written request of five members of such society, shall cause an examination of the books and affairs of such society to be made and render a correct statement to the members thereof; and every member or creditor thereof shall be entitled to receive from the secretary a copy of such annual statement; and every director or other officer refusing to comply with the requirements of this section, or making and signing a false annual statement of the condition of the society, shall forfeit for each offense the sum of \$100, to be recovered in an action of debt in any court of competent jurisdiction in this State by any member or creditor of the society who shall sue for the same.

13. That any member or other person having an interest in the fund of any such society may inspect the books thereof, at all reasonable hours, at the office thereof.

14. That there shall be such distribution of the profits of such society, among the workmen, purchasers, and members, as shall be prescribed in the certificate of association, at such times as therein prescribed, as often at least as once in twelve months: *Provided*, That no such distribution shall be made until a sum equal to 5 per cent of the net profits shall have been appropriated for a contingent or sinking fund, and that such appropriation shall continue to be made until there shall be accumulated a sum equal to 30 per cent of the capital stock of such society.



15. That any member of such society, by writing under his hand, delivered at the office of the society, may nominate any person, being the husband, wife, father, mother, child, brother, sister, nephew or niece, or other relative of such member, to whom his or her share of the capital stock of the society shall be transferred at his or her decease, and from time to time may revoke or vary such nomination, by a writing similarly delivered; and such society shall keep a book, wherein the names of all persons so nominated and the number of shares to be transferred shall be recorded: *Provided, nevertheless*, That in lieu of making such transfer the society may provide for payment to all such nominees of the full value of shares intended to be transferred: *Provided also*, That if by the by-laws of the society the shares are transferable, this section shall not be construed to forbid the transfer of such shares by sale or will, or otherwise, subject to the consent of the board of directors.

16. That any such society may be dissolved in the manner in which any other corporation may be dissolved under existing laws.

17. That where the whole capital of such society shall not have been paid in, and the assets of such society shall be insufficient for the payment of its debts, liabilities, and obligations, each stockholder shall be bound to pay, on each share held by him, the sum necessary to complete the amount of such share, as fixed in the certificate of association, or such proportion as shall be required to satisfy such debts, liabilities, and obligations: *Provided, however*, That no such contribution shall be required from any person after the expiration of one year from the time he has ceased to be a member, or for any debt, liability, or obligation contracted after he has ceased to be a member of such society.

The following are copies of two typical sets of by-laws. The first by-laws are sent to new societies, as a model for them, by the Cooperative Union of America, Cambridge, Mass.; the second are the by-laws of the Arlington Cooperative Association, Lawrence, Mass., selected because the society is the largest in the country on the Rochdale plan.

#### BY-LAWS OF THE —.

##### ARTICLE I.—*Name.*

This society shall be known as the —.

##### ARTICLE II.—*Objects.*

The object of this society shall be cooperation on what is known as the Rochdale plan. All sales to be for cash.

##### ARTICLE III.—*Capital stock.*

The capital stock of the society shall be in shares of \$2 each.

Shares may be withdrawn at thirty days' notice or earlier at the option of the committee of management.

##### ARTICLE IV.—*Membership.*

Any person may upon approval of the committee become a member of the society by paying an entrance fee of 25 cents each and giving name and address.

##### ARTICLE V.—*Meetings.*

SECTION 1. The regular quarterly meetings of the society shall be held on the last — in January, April, July, and October, the one held in January being considered the annual meeting.

SEC. 2. Monthly general meetings shall also be held on the last — of the month for the discussions of some question connected with the welfare of the society.



Nominations for the coming vacancies on the committee shall be made at the monthly meeting next previous to the quarterly meeting.

ARTICLE VI.—*Officers of the society.*

SECTION 1. The management of this society shall consist of a president, treasurer, recording clerk, and nine committeemen, all of whom shall have a vote and be elected by ballot.

They shall have the general management of all business carried on by or on account of the society, supervise the buying, and appoint the secretary, salesmen, and other persons necessary for conducting such business, and may assign such persons such remuneration and on such terms as they shall deem fit.

SEC. 2. Two auditors shall be chosen, and after the first term one shall retire at the meeting in January and one at the meeting in July in each year, the first to retire being the one receiving the lowest number of votes at his election. They shall be eligible for reelection.

SEC. 3. The members at a general meeting may remunerate the committee and auditors at such a rate as they deem fit.

SEC. 4. All officers of the society shall hold their offices till others have been chosen and qualified to take their place, excepting those who, having been elected for a period of — years continuously, may not be reelected until the expiration of one year. Any member is eligible for office.

SEC. 5. After the first election three committeemen shall retire at each of the April, July, and October quarterly meetings, the order of retirement being determined by the votes, those receiving the lowest number of votes at their election retiring first, and at the annual meeting in January the president, treasurer, and recording clerk shall retire, but, with the committeemen, except in the limitation named in section 4, shall be eligible for reelection, or others may be qualified in their stead. After the first term the order of retirement will be in the order of election.

ARTICLE VII.—*Duties of officers.*

SECTION 1. The president shall be chosen by the committee and shall preside at all meetings of the society and committee, countersign all checks, and be ex officio chairman of all committees; and in case of a tie, shall have a casting vote. In his absence a chairman may be chosen for the occasion.

SEC. 2. The treasurer shall be chosen by the committee and shall sign all checks and account for all moneys paid him on behalf of the society.

SEC. 3. The recording clerk shall be chosen by the committee and attend all meetings of the society and committee and record the minutes of the proceedings and all votes in a book kept for that purpose. He may not hold any other remunerated office under the society.

ARTICLE VIII.—*Profits.*

The profits of the society shall be disposed of as follows:

SECTION 1. Interest shall be declared on capital stock at the rate of 6 per cent per annum on \$10 or more, interest to commence on the 1st of the month.

SEC. 2. After paying the expenses of the society not less than 5 per cent per annum of the net profits shall be set aside for a sinking or reserve fund, and 2½ per cent for an educational fund.

SEC. 3. The net profits after providing for interest, sinking or reserve fund, and all other claims and expenses, shall be divided among purchasers and employees in such proportions and disposed of in such manner as a majority of members present at a meeting called for that purpose shall deem fit, non-members to receive a share of the profits to the extent of one-half that given to members.

SEC. 4. Members must leave one-half their dividend until owning ten shares.



ARTICLE IX.—*Surplus capital.*

Should the society find that they have more money than they can reasonably employ, the committee may, with the sanction of a majority at a quarterly meeting, invest such surplus or portion thereof in such manner as may then be decided upon.

ARTICLE X.—*Special meeting.*

Special general meetings may be convened by a written requisition, signed by ten members, being sent to the committee, or by three members of the committee.

ARTICLE XI.—*Quorum.*

Ten members at a general meeting and five at a meeting of the committee shall constitute a quorum.

ARTICLE XII.—*Vacancies.*

A vacancy of an office occurring during a term, the place may be filled by vote of the members at a regular meeting or at a meeting called for that purpose, or by the committee until the next regular quarterly meeting.

ARTICLE XIII.—*Bonds.*

The treasurer, secretary, salesmen, or assistants and all other persons appointed by the members or committee shall give such bonds or securities as the committee may deem sufficient.

ARTICLE XIV.—*Alteration of rules.*

Any alteration or amendment to these by-laws must be proposed in writing one meeting, at least, previous to action being taken thereon, and shall not be adopted unless by a majority of members present and voting.

ARTICLE XV.—*Expulsion of members.*

The committee shall have power to expel any member who persists in conduct detrimental to the society's welfare.

ARTICLE XVI.—*Inspection of accounts.*

Any member may, during reasonable office hours, inspect all and any of the society's books and accounts, except the private share account of any other member, which he may not inspect except by written authority of said member.

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BY-LAWS OF THE ARLINGTON COOPERATIVE ASSOCIATION.ARTICLE I.—*Name.*

SECTION 1. This association shall be known as the Arlington Cooperative Association.

SEC. 2. The place or places of business shall be at such location or locations as the association may from time to time determine. All books of account, securities, and documents of the association, other than such as are required for the carrying on of business on account of the same elsewhere, shall be kept at a stated general office at Lawrence, Mass.

## ARTICLE II.

The object of this association is to carry on the trade of general dealers in household supplies, on the cooperative plan.

## ARTICLE III.

SECTION 1. Any person, upon approval of the board of directors, may become a member of this association after being proposed by a member, paying an entrance



fee of 50 cents, and signing a declaration of his readiness to take at least one share of stock, and willingness to conform to the by-laws of this association. Such proposal shall give the person's name, trade, and address, and shall be signed by the member making the proposal, which shall be sent to the clerk with the entrance fee, and entered by him in a book kept for that purpose. If approved by the directors, he shall be considered a member upon payment of at least \$1 on account of his subscription, as otherwise provided.

SEC. 2. Candidates for membership rejected by the directors shall have the power of appeal through any member to the general meeting. Any person rejected shall have his entrance fee returned on application.

SEC. 3. At the general office a list of members' names, trades, and residences shall be kept, and no person shall be deemed a member unless his name appears on this list. The names of all persons who under these by-laws cease to be members shall be erased therefrom.

#### ARTICLE IV.—*Funds and revenues.*

SECTION 1. The permanent capital of this association shall be in shares of \$5 each. Each member of this association can hold from one to two hundred shares. The capital of the association shall be invested by the board of directors in purchase of stock and fixtures agreeable to the articles of agreement.

SEC. 2. From the absolute profits, after paying the expenses of the association, not less than 10 per cent per annum shall be set aside for a sinking fund, which shall be allowed to accumulate until it amounts to a sum equal to 30 per cent in excess of the capital stock.

SEC. 3. Interest shall be declared on the capital stock at the rate of 5 per cent per annum, payable quarterly. The directors shall at any time have power, with the sanction of the quarterly meeting, to reduce the rate of interest.

SEC. 4. After deducting from the profits the amounts provided in sections 2 and 3 of this article, and the amount assessed as State and city tax, the remainder shall be divided quarterly in proportion to the amount expended in purchase of goods. Non-members will receive a share of the profits to the extent of one-half of that given to members.

SEC. 5. Receipts from entrance fees shall be added to the sinking fund of the association.

SEC. 6. Interest will commence on the first of each month upon all paid-up shares.

SEC. 7. No interest will be paid on shares withdrawn before the end of the quarter.

SEC. 8. Dividends and interest may remain to the credit of the shareholders at their option, and whenever such accumulation amounts to the par value of one share, interest shall be declared according to the provisions of section 6 of this article, provided that this amount, with that of the original shares invested, shall not exceed the par value of 200 shares.

SEC. 9. Should the directors find that they have more cash in the treasury than they can profitably employ in the ordinary business of the association, they may, with the sanction of the quarterly meeting, invest any such portion of the cash in such manner as may be deemed advisable.

#### ARTICLE V.—*Officers.*

SECTION 1. The officers of this association shall consist of a president, clerk, treasurer, and ten other persons, who, with the exception of the clerk, shall constitute the board of directors.

SEC. 2. The clerk, treasurer, and eleven directors shall be chosen annually by the stockholders by ballot, and shall hold their office for one year, and until others are chosen and qualified in their stead, provided that it shall be considered requisite, unless they may be otherwise disqualified, to reelect one-half of the old board at each election. The president shall be chosen by the board of directors from their number.



SEC. 3. Candidates for the board of directors and all other officers of the association shall be nominated at the quarterly meeting immediately preceding the yearly meeting at which they are proposed for election. Should the number nominated not be sufficient to fill the vacancies, the yearly meeting shall elect the required number not so nominated.

SEC. 4. An auditor should be chosen annually by ballot.

SEC. 5. No person shall be eligible for the office of director who has not been a member of the association for at least six months, or be eligible for president who has not been a director twelve months; or if he hold any other office or place of profit under the association; if he is concerned in or participates in the profits of any contract with the association; or if he carries on the same business as the association; or if he has a relative employed by the association.

#### ARTICLE VI.—*Duties of officers.*

SECTION 1. It shall be the duty of the president to preside at all meetings of the association and board of directors, and, in case of equal division, to give the casting vote, besides his own vote as a member. He shall sign all documents or certificates issued by the association or board of directors; shall hold in his possession the bonds of the treasurer, or any of the employees where bonds are required, and shall perform all other duties usually appertaining to his office.

SEC. 2. It shall be the duty of the clerk to keep a correct record of all business meetings of the association and board of directors, and, in case of the absence of the president, to call the meeting to order. He shall keep a correct record of the names and residences of the members, and shall serve all notices ordered by the board; he shall carry on all correspondence and shall attest all documents issued by the association or board of directors, and shall deliver to his successor in office all property in his possession belonging to the association.

SEC. 3. It shall be the duty of the treasurer to receive all moneys due from members and others, and to disburse the same in payment of claims against the association when approved by an advisory committee. He shall keep such records of business transactions of the association not otherwise provided for by the board of directors, and shall make a full and complete report at each quarterly meeting of the financial condition of the association. He shall give such bonds for the faithful performance of his duties as the board of directors may require, and shall deliver to his successor all books, money, vouchers, and other property of the association in his possession.

SEC. 4. It shall be the duty of the auditor, at the close of each quarter's business, to audit the accounts of the treasurer and other officers, including stock on hand, demanding for this purpose any information he may see fit, and report condition of the same at the quarterly meeting.

#### ARTICLE VII.—*Management.*

SECTION 1. The board of directors shall have control of all business carried on by, or on account of, the association; the purchase and sale of goods; the engaging of managers and of all other persons necessary for conducting the business; providing for places of meeting; the rates of payment for work or services done on account of the association, and the regulation of salaries and securities of the managers and employees, to whom it may assign such duties as it shall deem proper.

SEC. 2. The board of directors shall, with the consent of a general meeting, have power to lease, purchase, or erect any building or buildings for the purpose of the association, and to mortgage, rent, or sell such buildings or any part thereof.

SEC. 3. The board of directors shall meet every alternate Tuesday evening, and shall provide for the detailed work of the business by the appointment of subcommittees. It shall in all things act for and in the name of the association, and all



acts and orders under the powers delegated to it shall have like force and effect as if they were acts and orders of a majority of the members of the association at a general meeting thereof. Every question at such meeting of the board shall be decided by a majority of votes cast. Seven members of the board shall constitute a quorum.

SEC. 4. The president, at the request of three members of the board, shall call a special meeting thereof by giving one day's notice in writing to the clerk; but no business shall be taken into consideration other than that specified in the notice. The board shall convene special meetings of the stockholders at their discretion, allowing three days' notice of the same.

SEC. 5. The board shall cause the accounts of all business carried on to be regularly entered in proper books, and a quarterly report to be made out covering all business to the end of each quarter, which, together with all necessary vouchers, shall be submitted to the auditor not less than seven days previous to such meeting, and shall be printed and distributed to the members as early as possible thereafter.

SEC. 6. All meetings of the board of directors shall be open to the attendance of other members, but no such member shall take part in its discussions.

#### ARTICLE VIII.—*Meetings.*

SECTION 1. The general meetings of this association will be held quarterly, on the last Wednesdays of January, April, July, and October of each year.

SEC. 2. The annual meeting of this association for the election of officers shall be held on the last Wednesday of April of each year.

SEC. 3. The president shall cause a special meeting of the association to be called, upon a written request, signed by ten members of the association. At such meeting no other business shall be transacted than that named in such requisition.

SEC. 4. Notices of all meetings shall be posted by the clerk in a conspicuous place in the store or stores, three days previous to the same. In the case of special meetings, such notice shall state the object of the meeting.

SEC. 5. At all meetings of the association fifteen members shall constitute a quorum for the transaction of business.

SEC. 6. No subject foreign to the purpose of the association shall be introduced at any of its meetings for business.

#### ARTICLE IX.—*General Regulations.*

SECTION 1. Quarters shall commence on the first of January, April, July, and October.

SEC. 2. All purchases from the association shall be made strictly for cash.

SEC. 3. Each member of the association shall be provided with a book of account, in which shall be entered a statement of shares held, with quarterly dividends and interest.

SEC. 4. Each purchaser shall be provided with checks or a pass book at the option of the directors, which shall show the amount of purchases on which dividend will be declared. The same to be returned, as provided from time to time by the board of directors.

SEC. 5. No intoxicating liquors shall be allowed on sale by the association.

SEC. 6. Any complaint as to quality or prices of goods sold by the association, or respecting the conduct of any of its employees, should be made to the directors in writing, signed by the party making the complaint, and such complaint shall be investigated and decided by the board.

SEC. 7. All sales are to be made at the average retail market price.

SEC. 8. Each stockholder shall be entitled to a certificate of his stock, under the seal of the corporation, signed by the president and the treasurer.

SEC. 9. No stockholder shall be entitled to more than one vote in any business meeting of the association.



SEC. 10. The board of directors may suspend any member from participating in the benefits of the association who persists in conduct injurious to the association, until it shall submit the matter to a stockholders' meeting, giving the offender three days' notice thereof, which meeting shall confirm and extend the action of the directors, or otherwise, as it may think proper.

ARTICLE X.—*Withdrawals.*

SECTION 1. Any member of this association desiring to withdraw from the association the whole or any part of his or her stock shall make a written application to the directors, and within thirty days from the date of such application the board shall pay or cause to be paid such applicant the amount of shares he may desire to withdraw, but if the board fail to pay or cause the same to be paid within thirty days, said applicant may transfer his or her shares to any other member, provided the member has not the full number of shares allowed in the by-laws, but in no case shall he transfer his share to persons not members of the association unless he first obtain consent of the board of directors, which consent shall be signed by the president and clerk, and entered on the records of the association. In case a member transfer his share or shares he must surrender his certificate to the board of directors, and the board shall cause a new certificate to be issued to the person to whom he makes such transfer.

SEC. 2. Any member being in distress may withdraw any shares he may have in the association at the discretion of the board of directors.

ARTICLE XI.—*Amendments.*

These by-laws shall not be altered or amended unless such alteration or amendment be proposed in writing one meeting previous to action being taken thereon, providing, also, that two-thirds of the members present vote in the affirmative.

ARTICLE XII.—*Vacancies.*

In case of a vacancy in the offices of clerk, treasurer, auditor, or any of the directors, by resignation or otherwise, a substitute shall be elected at the next quarterly meeting, or at a special meeting called for that purpose.

ARTICLE XIII.

That the duties of the treasurer be so modified as to make him simply custodian of the money, and to entail no other bookkeeping than a simple cash account and signing of checks and certificates, with a true rendering of said account when called upon.

That the duties of the clerk be made to include all bookkeeping and money transactions with the members required by the association, as well as all present duties, and that he be made the executive officer, under the directors, of all duties assigned by them from time to time. That his position be sufficiently remunerated as to insure a perfectly reliable and satisfactory incumbent, whose whole attention can be given to the calls of the association, and that he be placed under equal bonds with the treasurer.



RECENT REPORTS OF STATE BUREAUS OF LABOR STATISTICS.

KANSAS.

*Eleventh Annual Report of the Kansas Bureau of Labor and Industry.*  
1895. William G. Bird, Commissioner. vi, 211 pp.

This report treats of the following subjects: The milling industry, 31 pages; manufacturing industries, 40 pages; the salt industry, 11 pages; labor, 58 pages; labor organizations, 24 pages; strikes, 7 pages; sociology, 27 pages.

THE MILLING INDUSTRY.—Reports were secured from 190 milling establishments located in different parts of the State, but of this number 21 failed to give sufficient data to justify tabulation. The information contained in the reports is presented in detail and summarized for the State. The following statement shows the principal facts for the State:

MILLING STATISTICS OF KANSAS FOR THE YEAR ENDING DECEMBER 31, 1895.

Items.	Mills reporting.	Total.
Cost of plant .....	160	\$4, 034, 851
Commercial value of plant .....	127	\$2, 832, 100
Capacity, 24 hours' run, barrels.....	158	25, 762
Output for year, barrels.....	103	2, 241, 066
Sets of rolls.....	150	1, 401
Sets of buhrs .....	86	137
Materials—		
Wheat, bushels .....	115	11, 982, 268
Cost.....	103	\$7, 194, 106
Corn, bushels .....	89	1, 241, 609
Cost.....	77	\$292, 932
All other grain, bushels .....	52	567, 379
Cost.....	38	\$57, 984
Products—		
Flour, wheat, pounds.....	96	428, 838, 360
Value .....	83	\$5, 600, 494
Corn meal, pounds.....	66	25, 871, 654
Value .....	64	\$697, 968
Other flour or meal, pounds .....	22	5, 787, 300
Value .....	20	\$61, 232
Offal, pounds .....	86	371, 022, 786
Value .....	78	\$1, 642, 599
Employees—		
Greatest number .....	141	1, 214
Smallest number .....	128	673
Average number.....	139	929
Total wages paid during year.....	112	\$453, 126

MANUFACTURING INDUSTRIES.—Reports were secured from a number of establishments engaged in various kinds of industry. These reports represent 42 counties from all sections of the State, and hence represent the State at large. The reports are presented in detail, by industries, for each county. Answers are given to numerous questions concerning employees, wages, strikes, principal markets for product, freight rates, etc. The totals for the six most important questions



are as follows: Capital invested, \$111,119,279.25; cost of plant, \$7,768,095; repairs, \$2,661,376.04; products, \$67,770,647.14; materials, \$50,985,283.06; wages, \$4,508,078.18.

THE SALT INDUSTRY.—A historical and descriptive account is given of the salt industry of the State, and statistics are presented for the industry by county totals. The seven salt plants from which reports were secured reported capital at \$875,000, cost of plant at \$260,000, value of product at \$261,051.80, cost of materials at \$58,165.85, wages at \$57,760.77.

LABOR.—A detailed tabular account is given of reports received from 519 workmen engaged in various industries throughout the State. The following statement, presenting the totals for five of the industries treated, indicates the character of the information solicited:

REPORTS OF LABORERS, 1895.

Items.	Carpenters.	Miners.	Barbers.	Composi- tors.	Cigar makers.
Number reporting .....	20	59	36	41	32
Number reporting earnings .....	20	56	35	41	32
Earnings for year .....	\$12, 818. 00	\$22, 512. 80	\$19, 299. 65	\$25, 296. 60	\$18, 213. 00
Average .....	\$640. 90	\$402. 01	\$551. 41	\$616. 99	\$569. 15
Number reporting cost of living .....	15	46	31	34	29
Cost of living for year .....	\$5, 286. 00	\$13, 895. 00	\$11, 544. 00	\$22, 802. 00	\$9, 602. 00
Average .....	\$352. 40	\$302. 06	<i>a</i> \$372. 35	\$670. 64	\$331. 10
Number reporting savings .....	4	3	3	9	4
Savings for year .....	\$632. 75	\$350. 00	\$500. 00	\$1, 518. 80	\$940. 00
Average .....	<i>b</i> \$158. 20	\$116. 66	\$166. 66	\$168. 75	\$235. 00
Number reporting debt .....	6	28	6	3	10
Debt for year .....	\$265. 00	\$1, 666. 00	\$362. 00	\$135. 00	\$635. 00
Average .....	\$44. 16	\$59. 50	\$60. 33	\$45. 00	\$63. 50

*a* Figures here apparently should be \$372.38; those given are, however, according to the original.  
*b* Figures here apparently should be \$158.18; those given are, however, according to the original.

LABOR ORGANIZATIONS.—Of 142 schedules sent to labor organizations throughout the State, 92 replies, sufficiently complete for tabulation, were received. Some of the facts presented for these organizations are summarized in the following statement:

LABOR ORGANIZATIONS, 1895.

Items.	Number of organiza- tions re- porting.	Items.	Number of organiza- tions re- porting.
Membership—		Immigration—	
Increased .....	41	Has affected craft .....	14
Decreased .....	22	Has not affected craft .....	70
No change .....	25	Total answering question .....	84
Total answering question .....	88	Strikes—	
Wages—		Involved in .....	8
Increased .....	3	Not involved in .....	80
Decreased .....	6	Total answering question .....	88
No change .....	78	Boycotts—	
Total answering question .....	87	Involved in .....	10
Hours of work—		Not involved in .....	76
Increased .....	1	Total answering question .....	86
Decreased .....	13	Grievance or arbitration committee—	
No change .....	70	Had troubles settled by .....	30
Total answering question .....	84	Did not have troubles settled by ...	57
		Total answering question .....	87



STRIKES.—An account is given of the important strikes and labor troubles that occurred in the State during the year.

SOCIOLOGY.—Under this title is presented a number of specially prepared articles on the labor problem from college professors, economists, and labor leaders.

## MONTANA.

*Third Annual Report of the Bureau of Agriculture, Labor and Industry of Montana for the year ended November 30, 1895.* James H. Mills, Commissioner. 205 pp.

The subject-matter of this report is grouped as follows: Introductory, 21 pages; economic statistics of counties, 18 pages; fruit growing, 19 pages; official directory of United States, State, and county officials, 24 pages; labor organizations, railroad traffic, wages, production, and investments, 34 pages; precious and semiprecious metals, 12 pages; agriculture and stock growing, 32 pages; miscellaneous statistics, 11 pages; laws of special interest to wage earners, 16 pages.

ECONOMIC STATISTICS OF COUNTIES.—The following statement summarizes for the entire State some of the facts presented under this title for the different counties:

### REVENUE, EXPENSES, ETC., OF COUNTIES FOR CALENDAR YEAR 1894.

Revenue from licenses .....	\$369, 674. 77
Total expenses (a) .....	\$1, 909, 169. 80
Amount collected for public school fund (a) .....	\$618, 210. 87
Amount expended for public schools (a) .....	\$541, 867. 14
Number of criminal cases begun by finding informations and indictments .....	465
Number of civil cases begun .....	2, 706
Number of letters of administration granted .....	307
Number of executions issued during the year.....	515
Number of real estate transfers .....	8, 151
Amount of real estate transfers .....	\$13, 200, 072. 77
Number of real estate and chattel mortgages recorded .....	6, 965
Amount of real estate and chattel mortgages recorded.....	\$10, 470, 249. 62
Number of mechanics' liens filed .....	479
Amount of mechanics' liens filed .....	\$118, 914. 04
Number of divorces granted .....	228
Number of marriage licenses granted.....	1, 598
Number of persons to whom final naturalization papers were issued.	9, 934
Indebtedness of counties March 1, 1894 .....	\$2, 584, 910. 11
Indebtedness of counties March 1, 1895 .....	\$2, 856, 053. 71

LABOR ORGANIZATIONS, RAILROAD TRAFFIC, WAGES, PRODUCTION, AND INVESTMENTS.—The name, location, date of organization, and amount of benefits paid are given for 82 labor organizations in the State. These organizations had a membership of 9,186, of whom 36 were females. Excluding persons engaged in farming and stock

<sup>a</sup> For fiscal year ended February 28, 1895.



raising, it was estimated that 81.95 per cent of the wage earners in the State were in employment on July 1, 1895. Including those engaged in farming and stock raising, 89.37 per cent were employed. The wages, employees, and traffic are shown for the different railroads in the State, and the wages, employees, capital, and production are given for selected industries.

PRECIOUS AND SEMIPRECIOUS METALS.—The following statement summarizes the statistics given for the State under this title:

ESTIMATED VALUE OF METALS PRODUCED.

Kind of metal.	1894.	1895.
Gold.....	\$3, 651, 410	\$4, 327, 040
Silver.....	<i>a</i> 16, 575, 458	<i>a</i> 22, 886, 992
Copper.....	17, 233, 719	21, 114, 869
Lead.....	730, 552	754, 360
Total .....	<i>b</i> 38, 191, 139	<i>b</i> 49, 083, 261

*a* At coining value.

*b* Silver included at coining value.

AGRICULTURE AND STOCK GROWING.—The average production per acre and the average prices are shown for farm products; also the proportional amount of the sales in Montana of the products of the State as compared with the sales of imported products. The cost of living is indicated by tables showing the average prices of different commodities.

The average wages per month of employees on farms and stock ranges is shown for each county. The following statement presents the averages for the entire State:

AVERAGE WAGES PER MONTH, INCLUDING BOARD AND LODGING, OF EMPLOYEES ON FARMS AND STOCK RANGES.

Class of employees.	Year ending June 30—	
	1894.	1895.
Foremen.....	\$56. 69	\$55. 99
Herders .....	31. 26	31. 11
Range riders.....	38. 97	36. 34
Farm hands .....	30. 21	29. 52
Cooks .....	35. 09	35. 16

NEW JERSEY.

*Eighteenth Annual Report of the Bureau of Statistics of Labor and Industries of New Jersey.* For the year ending October 31, 1895. Charles H. Simmerman, Chief. viii, 251 pp.

The following subjects are treated in this report: Panic inquiry, 1894–95, 61 pages; effect of occupation on the health and duration of the trade-life of workmen, 99 pages; the distribution of wealth, 11 pages; free public employment offices, 5 pages; cooperative movement



in New Jersey, 17 pages; cooperative building and loan associations of New Jersey, 53 pages.

PANIC INQUIRY, 1894-95.—This inquiry is a continuation of that of 1893-94, the results of which were published in the report of the bureau for 1894 in the chapter relating to the industrial depression of 1893-94. Statistics covering the year ending June, 1895, were obtained from 196 manufacturers in 40 general industries, showing, month by month, the changes in the number of persons employed and in the amount of wages paid. Returns were also secured from 93 manufacturers in 39 general industries, showing the value of the goods produced by them during the year ending June, 1895. The figures are brought into comparison with the value of the output of the same establishments during the preceding year.

All the establishments from which returns were secured giving the number of employees and the amount of wages paid were in operation in June, 1893, and a comparative showing of the reported facts is made for June, 1893, June, 1894, and each succeeding month to and including May, 1895. Of the establishments reporting these facts, 86 were engaged in the manufacture of textiles and textile products and 57 were engaged in the manufacture of metals and metallic products. The establishments engaged in these two lines of production constituted more than two-thirds of the entire number reporting.

The following statement shows the number of employees and the amount of wages paid in the establishments reporting in June, 1893, June, 1894, and in each succeeding month to and including May, 1895, with the percentages of increase or decrease.

EMPLOYEES AND WAGES, JUNE, 1893, AND JUNE, 1894, TO MAY, 1895.

[Each percentage of decrease or increase after June, 1894, indicates the decrease or increase since June, 1894.]

Month.	Employees.			Wages.		
	Average number.	Per cent of increase.	Per cent of decrease.	Amount.	Per cent of increase.	Per cent of decrease.
June, 1893 .....	35,457	.....	.....	\$1,086,537	.....	.....
June, 1894 .....	31,857	.....	10.2	907,558	.....	16.5
July, 1894 .....	31,843	.....	.....	868,319	.....	4.3
August, 1894 .....	32,218	1.1	.....	922,860	1.7	.....
September, 1894 .....	33,140	4.0	.....	938,154	3.4	.....
October, 1894 .....	33,933	6.5	.....	1,004,121	10.6	.....
November, 1894 .....	34,853	9.4	.....	971,822	7.1	.....
December, 1894 .....	34,186	7.3	.....	1,003,131	10.5	.....
January, 1895 .....	34,506	8.3	.....	941,373	3.7	.....
February, 1895 .....	34,684	8.9	.....	955,646	5.3	.....
March, 1895 .....	35,138	10.3	.....	1,068,703	17.8	.....
April, 1895 .....	36,594	14.9	.....	1,081,226	19.1	.....
May, 1895 .....	37,057	16.3	.....	1,139,174	25.5	.....

The figures secured from the 93 establishments in 39 general industries, showing the value of their products for the year ending June, 1895, when compared with similar figures from the same establishments



for the preceding year, show a substantial increase in the volume of business. For the year ending June, 1894, the total value of the manufactured products of the establishments referred to was \$13,983,883; for the succeeding year the total value of such products was \$16,854,730; an increase of \$2,870,847, or 20.5 per cent.

**EFFECT OF OCCUPATION ON THE HEALTH AND DURATION OF THE TRADE-LIFE OF WORKMEN.**—The inquiry in regard to this subject was first undertaken by the bureau in 1889. The information sought for was obtained from individual journeymen at work at their respective trades, and the data thus gathered are presented in tables, arranged by occupations, showing the age at which the workman began to work at his trade, his present age, the age at which he first began to decline (i. e., lose his activity as a workman), the number of years actually at work, and whether American or foreign born. The inquiry has been carried on for a period of six years, and returns have been secured from 19,947 workmen, employed in nearly 80 occupations. The returns secured in 1895 from 1,167 individuals are tabulated in connection with those previously secured.

The following statement shows the principal results of the investigation as to certain occupations in which returns were secured from comparatively large numbers of workmen:

AGE, YEARS AT WORK, ETC., OF WORKMEN IN CERTAIN OCCUPATIONS.

Occupations.	Number of individuals reported.	Average.		Per cent beginning to decline.	Per cent American born.
		Present age.	Years at work.		
Bakers .....	933	33.4	16.9	6.2	26.8
Bricklayers and masons.....	1,022	36.4	18.5	8.3	62.1
Carpenters.....	2,732	36.5	18.7	6.4	66.6
Cigar makers.....	1,061	31.3	14.4	9.8	65.8
Hat finishers.....	1,257	32.8	15.0	12.3	69.0
Hat makers.....	1,247	34.5	15.5	17.6	44.0
Miners, iron ore.....	1,269	34.1	16.0	7.1	39.6
Potters, pressers.....	455	30.5	15.7	6.4	49.0
Potters, kiln men.....	297	32.6	14.5	10.8	45.0
Painters .....	1,235	34.5	15.0	12.8	71.8
Plumbers .....	661	32.0	16.0	10.6	82.4
Printers.....	462	31.2	14.5	9.7	79.0
Railroad, locomotive engineers.....	449	43.1	13.5	30.0	96.0
Railroad, locomotive firemen .....	411	31.4	6.6	5.6	96.1
Railroad, brakemen .....	1,445	30.2	8.2	6.1	94.2
Stonecutters .....	701	33.5	19.0	.....	16.5

**THE DISTRIBUTION OF WEALTH.**—The distribution of visible taxable wealth among those liable to taxation in four of the principal cities of the State, namely, Camden, Newark, Jersey City, and Paterson, has been ascertained by means of transcripts made of the tax duplicates for 1895 of the cities named. The data thus secured show that the assessed valuations of \$1,000 and upward covered over 90 per cent of the total assessed valuation of taxable property in each of the four cities.

The following statement shows the total assessed valuation of property and the number of persons, including firms and corporations,



assessed for taxation in 1895 in each of the cities named, in amounts under \$1,000, from \$1,000 to \$5,000, and \$5,000 and over:

ASSESSED VALUATION OF PROPERTY AND NUMBER OF PERSONS ASSESSED IN  
FOUR PRINCIPAL CITIES OF NEW JERSEY, 1895.

Items.	Camden.	Newark.	Jersey City.	Paterson.	C
Valuations under \$1,000—					
Amount.....	\$2, 756, 644	\$6, 676, 423	\$7, 460, 417	\$3, 281, 942	<i>a</i> \$20, 182, 652
Per cent of total valuation ...	8. 3	5. 2	8. 4	8. 3	7. 0
Persons assessed ( <i>b</i> ).....	7, 102	21, 482	21, 681	10, 916	61, 181
Valuations from \$1,000 to \$5,000—					
Amount.....	\$12, 214, 874	\$40, 392, 941	\$30, 154, 810	\$15, 750, 917	<i>c</i> \$98, 506, 316
Per cent of total valuation ...	36. 9	31. 6	33. 7	40. 0	34. 0
Persons assessed ( <i>b</i> ).....	5, 818	16, 933	11, 958	5, 780	40, 489
Valuations of \$5,000 and over—					
Amount.....	\$18, 123, 480	\$80, 805, 770	\$51, 784, 395	\$20, 354, 607	\$171, 073, 252
Per cent of total valuation ...	54. 8	63. 2	57. 9	51. 7	59. 0
Persons assessed ( <i>b</i> ).....	962	4, 746	3, 275	730	9, 713
Total valuation—					
Amount.....	\$33, 099, 998	\$127, 875, 134	\$89, 399, 622	\$39, 387, 466	\$289, 762, 220
Persons assessed ( <i>b</i> ).....	13, 882	43, 161	36, 914	17, 426	111, 383

*a* Figures here apparently should be \$20,175,426; those given are, however, according to the original.  
*b* Including firms and corporations.  
*c* Figures here apparently should be \$98,513,542; those given are, however according to the original.

COOPERATIVE MOVEMENT IN NEW JERSEY.—A historical and descriptive statement is made of the formation and development of cooperative societies in the State, and separate accounts are given of 24 such organizations, showing the nature of the business carried on by them, the extent of their operations, and the success or failure attending their efforts.

The following extract is made from the text on this subject:

In the early seventies, under the patronage of the Sovereigns of Industry, the Patrons of Husbandry, and the Knights of Labor, various attempts were made in this State to organize cooperative associations for the purchase of supplies, farming implements, and articles of household necessity. These were, however, mostly voluntary associations without any legal status as corporate bodies. A few of them incorporated under the general corporation law of the State, but most of them simply adopted a constitution and by-laws and a form of certificate of shares, etc. Under this plan of association the members were simply joint partners and individually liable for all debts contracted. This for a time gave them almost unlimited credit in the purchase of such articles as they chose to handle, but it also operated to discourage members who possessed property, who on the first reverse would become alarmed and withdraw. Consequently most of these enterprises were short lived. But in 1881 the legislature passed an act entitled “An act to encourage the formation of cooperative associations among working-men,” since which time certificates of association of 40 cooperative societies have been filed in the office of the bureau of statistics of labor and industries and approved by the chief as the law requires. Seven of these were organized for manufacturing or productive cooperation, and 33 for distribution or exchange. Not one of the productive associations ever began business. Of the 33 distributive societies organized 25 began business and 8 did not. Of those that began business 10 are still in operation.



COOPERATIVE BUILDING AND LOAN ASSOCIATIONS OF NEW JERSEY.—The new legislative requirement that all State reports shall be made as of October 31, and compiled within one month thereafter, prevented the complete tabulation of the statistical information returned by the building and loan associations of the State in answer to interrogatories issued by the bureau in August, 1895, and such tabulations as were made could not be analyzed and summarized in a satisfactory manner.

In the following statement the general statistics relating to shares, shareholders, and capital and profits are summarized for 301 associations from which returns were received, the returns from associations in operation less than one year not being included:

Total associations reporting.....	301
Shares in force.....	693, 810
Shares borrowed on.....	202, 639
Shareholders.....	101, 619
Borrowers.....	25, 598
Installment dues on shares in force.....	\$29, 843, 237
Net profits on shares in force.....	\$8, 070, 538
Net assets.....	\$38, 882, 110

The total outstanding indebtedness reported by 234 associations amounted to \$1,486,081, including overpayments and amounts due on canceled shares, but not including net worth, unearned premiums, and undelivered loans. One hundred and fifty-seven associations borrowed \$1,842,202, and 164 associations repaid borrowed money to the amount of \$1,858,319 during the year, the latter amount including payments on borrowings of previous years. Two hundred and ninety-four associations reported receipts and disbursements during the year amounting to \$17,272,430 and \$16,206,831, respectively.



## RECENT FOREIGN STATISTICAL PUBLICATIONS.

*La Petite Industrie: Salaires et Durée du Travail; Tome II, Le Vêtement à Paris.* Office du Travail, Ministère du Commerce, de l'Industrie, des Postes et des Télégraphes. 1896. 721 pages.

Since its organization the French labor bureau has been carrying on a series of investigations concerning the wages and hours of labor of workingmen in France. Several volumes giving the partial results of the investigation have been issued, but the final volume, in which the information that has been obtained will be summarized and analyzed, has not yet appeared. As a branch of this general investigation, a special investigation has at the same time been carried on concerning the conditions of labor in the minor industries at Paris. By minor industries is meant such work as is carried on either in the homes of the workingmen in connection with stores and shops, or in such small industrial establishments that they scarcely merit the designation of independent factories. Such, for example, are the industries of tailoring, dressmaking, bread baking, slaughtering, and preparation of meats, etc.

The first volume related to industries in connection with food products, such as bakeries, butcher shops, supplies of milk, etc., and was issued in 1893. (a) The second volume, giving the results of this investigation as far as the clothing trades at Paris are concerned, has just been published by the bureau.

The nature of the industries treated in these two volumes has necessitated the adoption of a special method of investigation. Instead of conducting the inquiry along identical lines for the different industries, so that results could be assembled in general tables from which general statements concerning the condition of labor could be deduced, it has been found necessary to take up each individual industry, or in cases each individual occupation separately, and to write a monographic treatise concerning the conditions pertaining to it, to which are added, somewhat in the nature of exhibits, a series of studies of the conditions of labor in a number of particular establishments.

The general portion of each monograph thus first gives an account of the estimated number of such establishments in Paris, the conditions under which the industry is carried on, that is, the mechanical

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<sup>a</sup> *La Petite Industrie: Salaires et Durée du Travail; Tome I, L'Alimentation à Paris.* Office du Travail, Ministère du Commerce, de l'Industrie et des Colonies. 1893.



appliances necessary, the number of assistants required, the names of the occupations of these assistants, their wages and hours of labor, the chances that they have for themselves becoming the heads of establishments, etc. The study of conditions in particular establishments, based upon schedules filled in by M. Maroussem, to whom this investigation was intrusted by the bureau, then follows.

In other words, the object of the investigation has been not to make either a complete or even partial statistical census of the industries considered, but rather to present the information in such a way as to show the conditions of labor in each and the general problems surrounding its conduct.

*Répartition des Salaires du Personnel Ouvrier dans les Manufactures de l'État et les Compagnies de Chemins de Fer.* Office du Travail, Ministère du Commerce, de l'Industrie, des Postes et des Télégraphes. 1896. 154 pp.

This report relating to the wages of employees of the Government manufactories and the railway companies of France in 1895 was prepared by the French labor bureau in pursuance of a request by the committee on labor of the Chamber of Deputies. The Government manufactories referred to comprise the 20 establishments for the manufacture of tobacco and the 7 establishments for the manufacture of matches, both of which industries are in France state monopolies. The railway companies include all of the 7 great companies into which the railway system of France is divided, as well as 4 companies operating what are called secondary lines.

The information is given for each of these three branches separately and relate to the amount of wages earned during a single wage payment period. In other words, the information is not based on an average for the year. In no instance are wages given either by single or even by the most general grouping of occupations, the only divisions being those according to sex, the age periods 12 to 18, 19 to 25, 26 to 45, 46 to 60, and over 60 years, and the amount of the earnings of the employees. As the report says, therefore, "the present investigation ought not to be regarded as furnishing indications rigorously exact concerning the absolute amount of wages, but rather as giving simply a sufficiently accurate idea of the relative situation of the various workingmen from the standpoint of their earnings."

The inquiry covers a total of 174,864 employees, of which 15,120 were employed in the manufacture of tobacco, 2,120 in the manufacture of matches, and 157,624 in railway transportation.

Of the 15,120 employees of the tobacco factories, 1,446, or 10 per cent, were males, and 13,674, or 90 per cent, were females. Their division according to age periods as well as sex is shown in the following table, in which the amount of the earnings per hour of all employees is shown according to sex and age periods. It should be stated that



wages are here paid almost exclusively by the piece and have been reduced to the hour basis. The number of hours worked per day is ten.

AVERAGE EARNINGS PER HOUR OF EMPLOYEES OF GOVERNMENT TOBACCO FACTORIES.

Age.	Number of employees receiving—										All employees.			
	\$0.0048 to \$0.0676 per hour.		\$0.0677 to \$0.0801 per hour.		\$0.0801 to \$0.1062 per hour.		\$0.1063 to \$0.1255 per hour.		Over \$0.1255 per hour.		Male.		Female.	
	Male	Fe-male.	Male.	Fe-male.	Male.	Fe-male.	Male.	Fe-male.	Male.	Fe-male.	Num-ber.	Aver-age wages	Num-ber.	Aver-age wages
12 to 18 years.	7	34	1	10	.....	6	.....	.....	.....	.....	8	\$0.039	50	\$0.058
19 to 25 years.	2	377	5	66	15	107	4	9	2	1	28	.095	560	.062
26 to 45 years.	19	6,252	113	1,431	502	1,255	225	149	88	58	947	.102	9,145	.062
46 to 60 years.	13	2,771	48	431	198	301	84	53	43	11	386	.104	3,567	.060
Over 60 years.	6	281	9	28	43	34	11	9	8	.....	77	.100	352	.058
Total ..	47	9,715	176	1,966	758	1,703	324	220	141	70	1,446	.102	13,674	.062

The above table shows a marked difference in the wages of male and female employees. While but 3 per cent of the males earn \$0.0676 or less per hour, 71 per cent of the females receive not more than that amount of pay. The average wages of all male employees is stated at \$0.102 per hour and of female employees at \$0.062 per hour.

In the Government match factories the proportion of employees who are males is somewhat larger, 676, or 32 per cent, being of that sex, and 1,444, or 68 per cent, being females. A table similar to the one just given for tobacco factory employees shows their average earnings according to sex and age periods. Here also ten hours constitute a day's work.

AVERAGE EARNINGS PER HOUR OF EMPLOYEES OF GOVERNMENT MATCH FACTORIES.

Age.	Number of employees receiving—										All employees.			
	\$0.0048 to \$0.0676 per hour.		\$0.0677 to \$0.0801 per hour.		\$0.0801 to \$0.1062 per hour.		\$0.1063 to \$0.1255 per hour.		Over \$0.1255 per hour.		Male.		Female.	
	Male	Fe-male.	Male.	Fe-male.	Male.	Fe-male.	Male.	Fe-male.	Male.	Fe-male.	Num-ber.	Aver-age wages	Num-ber.	Aver-age wages
12 to 18 years.	12	63	4	17	8	9	1	1	.....	1	25	\$0.073	91	\$0.056
19 to 25 years.	39	349	16	133	23	114	20	5	11	3	109	.087	604	.062
26 to 45 years.	102	294	69	164	122	184	88	17	70	2	451	.100	661	.073
46 to 60 years.	14	40	14	22	31	16	6	.....	8	.....	73	.093	78	.069
Over 60 years.	3	6	7	3	8	1	.....	.....	.....	.....	18	.083	10	.067
Total ..	170	752	110	339	192	324	115	23	89	6	676	.097	1,444	.068

Though still considerable, the difference between the earnings of male and female employees as here shown is not so great as in the case of the tobacco workers. Twenty-five per cent of the men and 52 per cent of the women received \$0.0676 per hour or under. The average earnings for all the employees were, for the men \$0.097, and for the women \$0.068 per hour.



The total number of employees of the railroads concerning which information was obtained was 157,624. Of these, 138,587, or 88 per cent, were male, and 19,037, or 12 per cent, female. The women are almost entirely gate keepers or watchmen along the road. They are generally provided with houses and attend to their house duties as well. The hours of labor of the men vary from 9 to 12 per day, and those of the women from 10 to 15. In view of the character of the work of the women, however, a statement of their hours of labor has little significance. The following tables show the earnings of the railway employees according to sex and age periods. It has been necessary to make a showing separately for those employees who are paid by the month and who constitute the higher grades of employees and those paid by the day, hour, or piece, or the workingmen proper.

AVERAGE EARNINGS PER HOUR OF WORKING PEOPLE ON GOVERNMENT RAILWAYS.

Age.	Number of employees receiving—										Total.	
	\$0.0048 to \$0.0676 per hour.		\$0.0677 to \$0.0801 per hour.		\$0.0801 to \$0.1062 per hour.		\$0.1063 to \$0.1255 per hour.		Over \$0.1255 per hour.			
	Male.	Fe-male.	Male.	Fe-male.	Male.	Fe-male.	Male.	Fe-male.	Male.	Fe-male.	Male.	Fe-male.
12 to 18 years .....	1, 325	364	82	.....	46	.....	3	.....	.....	.....	1, 456	364
19 to 25 years .....	5, 311	1, 005	1, 202	.....	1, 071	.....	222	.....	92	.....	7, 898	1, 005
26 to 45 years .....	22, 808	1, 827	9, 115	4	9, 026	.....	3, 117	.....	2, 330	.....	46, 396	1, 831
46 to 60 years .....	2, 732	457	2, 339	.....	3, 008	1	1, 214	.....	1, 182	.....	10, 475	458
Over 60 years .....	199	59	191	1	369	.....	172	.....	158	.....	1, 089	60
Total .....	32, 375	3, 712	12, 929	5	13, 520	1	4, 728	.....	3, 762	.....	67, 314	3, 718

AVERAGE EARNINGS PER MONTH OF HIGHER EMPLOYEES OF GOVERNMENT RAILWAYS.

Age.	Employees receiving per month—										Total.	
	Less than \$13.70.		From \$13.70 to \$21.23.		From \$21.42 to \$31.85.		From \$32.04 to \$43.43.		\$43.62 or over.			
	Male.	Fe-male.	Male.	Fe-male.	Male.	Fe-male.	Male.	Fe-male.	Male.	Fe-male.	Male.	Fe-male.
12 to 18 years .....	8	13	5	.....	1	.....	.....	.....	.....	.....	14	13
19 to 25 years .....	28	877	500	5	285	2	77	.....	21	.....	911	884
26 to 45 years .....	802	11, 549	24, 201	16	20, 085	1	4, 099	.....	2, 904	.....	52, 191	11, 566
46 to 60 years .....	52	2, 744	6, 342	1	8, 118	5	1, 864	.....	1, 407	.....	17, 783	2, 750
Over 60 years .....	5	105	176	.....	141	1	47	.....	5	.....	374	106
Total .....	895	15, 288	31, 224	22	28, 630	9	6, 087	.....	4, 337	.....	71, 273	15, 319

In considering this table account should be taken of the fact that the railway companies contribute materially in a great many ways to the support of their employees. About 15 per cent of all employees are housed by the companies. In addition, most of them provide free medical attendance and supplies in case of sickness, and make provision for pensions for their employees after they have become incapacitated for work through accident or old age. The average value of all of these benefits is estimated to be equivalent to a 15 per cent addition to



the wages. The average wages of employees according to age periods is not given, but the average wages of the men is stated to be \$0.0869 per hour.

*Statistica degli Scioperi avvenuti nell' Industria e nell' Agricoltura durante l' anno 1894.* Ministero di Agricoltura, Industria e Commercio, Direzione Generale della Statistica. 1896. 52 pp.

This report emanates from the general bureau of statistics of the Italian department of agriculture, industry, and commerce. In presenting it here the same general plan is followed with the data for 1894 as in "Strikes in Italy in recent years," published in Bulletin No. 1, which covered the period from 1879 to 1893, inclusive.

The report shows that in 1894 there were 109 strikes, of which 104 reported the number of strikers as 27,595, an average of 265 strikers to each strike. It appears that about one-half of the strikes took place in northern Italy, the main seat of the great industries; but Sicily and Lazio report also a great number. The total number of strikes in 1894 was less than during any one of the five years preceding (less strikers in 1889—23,322).

Of the 109 strikes, 12 were accompanied by acts of violence and 11 by minor disturbances. The rest were conducted in a perfectly orderly manner. It is an established fact that in 11 strikes the strikers received assistance from associations of resistance, but this number is certainly below the truth, as in many instances the assistance is not tendered openly but secretly.

A table, the details in which are given by provinces, shows that 19,766 of the 27,595 strikers were adult males, 3,890 adult females, and 3,939 children (15 years of age and under of both sexes), from which it appears that the females and children formed 28 per cent of the total number of strikers.

The most important strikes, so far as the number of persons involved is concerned, took place in the sulphur mines of Sicily and in the Government cigar factory at Lucca. None of these strikes terminated successfully.

The following table shows the average number of strikers to each strike for the years 1878 to 1894:

AVERAGE NUMBER OF STRIKERS PER STRIKE, 1878 to 1894.

Year.	Average number of strikers per strike.	Year.	Average number of strikers per strike.	Year.	Average number of strikers per strike.
1878.....	165	1884.....	296	1890.....	289
1879.....	144	1885.....	398	1891.....	272
1880.....	227	1886.....	177	1892.....	263
1881.....	212	1887.....	368	1893.....	253
1882.....	130	1888.....	293	1894.....	265
1883.....	193	1889.....	187		



This exhibit is followed by a table showing the number of strikes and strikers and per cent of whole number of each according to the causes for which strikes were undertaken :

CAUSES OF STRIKES, 1894.

Cause or object.	Strikes.		Strikers.	
	Number.	Per cent.	Number.	Per cent.
For increase of wages .....	46	44	17, 685	64
For reduction of hours .....	12	12	2, 539	9
Against reduction of wages .....	12	11	1, 498	6
Against increase of hours .....	2	2	330	1
Other causes .....	32	31	5, 543	20
Total classified .....	104	100	27, 595	100
Not classified .....	5			
Grand total .....	109			

The following table shows the results of strikes for the year 1894:

RESULTS OF STRIKES, 1894.

Cause or object.	Succeeded.				Succeeded partly.				Failed.			
	Strikes.		Strikers.		Strikes.		Strikers.		Strikes.		Strikers.	
	Num- ber.	Per cent.	Num- ber.	Per cent.	Num- ber.	Per cent.	Num- ber.	Per cent.	Num- ber.	Per cent.	Num- ber.	Per cent.
For increase of wages .....	18	39	2, 720	15	18	39	4, 511	26	10	22	10, 454	59
For reduction of hours .....	2	17	155	6	4	33	1, 359	54	6	50	1, 025	40
Against reduction of wages .....	4	33	1, 007	67	2	17	67	5	6	50	424	28
Against increase of hours .....									2	100	330	100
Other causes .....	a 11	36	a1,472	28	5	16	568	11	15	48	3, 253	61
All causes...	a 35	34	a5,354	19	29	28	6, 505	24	39	38	15, 486	57

a The figures as given are according to the summary table as printed in the report. It appears, from the detail table, however, that one strike of 250 strikers has been omitted in making up the summary.

In the following table are shown the per cents of strikes which succeeded, succeeded partly, and failed, together with the per cents of strikers engaged therein, for the years 1878-1891 to 1894.

RESULTS OF STRIKES, 1878-1891 to 1894.

Year.	Per cent of strikes.			Per cent of strikers.		
	Suc- cessful.	Partly suc- cessful.	Failed.	Suc- cessful.	Partly suc- cessful.	Failed.
1878-1891 .....	16	43	41	25	47	28
1892 .....	21	29	50	29	19	52
1893 .....	28	38	34	29	44	27
1894 .....	34	28	38	19	24	57

From this table it will be seen that the successful strikes increased steadily from 16 per cent in 1878-1891 to 34 per cent in 1894. This rising tendency, however, does not hold good when the per cent of persons



benefited is considered, which is shown to have been less in 1894 than in preceding years.

The following table shows, for 1894, a classification of strikes according to the industries in which the strikers were employed:

STRIKES, BY INDUSTRIES, 1894.

Industry.	Strikes.		Strikers.
	Total.	Report- ing num- ber of strikers.	
Weavers, spinners, and carders .....	15	15	2,514
Miners and ore diggers .....	21	16	13,318
Mechanics .....	3	3	182
Founders .....	2	2	35
Railroad employees .....	3	3	1,597
Day laborers .....	12	12	3,044
Masons and stonecutters .....	8	8	1,130
Kiln and furnace tenders .....	3	3	482
Hat makers .....	2	2	258
Tanners .....	11	11	603
Dyers .....	5	5	412
Bakers and pastry cooks .....	3	3	525
Joiners .....	1	1	50
Glass workers .....	1	1	25
Omnibus drivers and conductors .....	3	3	208
Boatmen .....	1	1	32
Cart drivers .....	3	3	540
Porters and coal carriers .....	2	2	105
Other industries .....	10	10	2,53
Total .....	109	104	27,595

In 1894 there were 323,261 days of work lost in 103 strikes reported, which shows an average loss of 3,138 days of work per strike.

By the law of June 15, 1893, boards of arbitration and conciliation were authorized to be organized in the various industrial centers of the Kingdom, but up to the end of 1894 none had been created.

The report closes with a fully annotated table showing, by provinces and for each strike, the locality, date of beginning, occupation, sex, and number of strikers, cause or object of strike, result, whether accompanied by threats or acts of violence, duration of strike in days, and total number of days of work lost.



## DECISIONS OF COURTS AFFECTING LABOR.

[This subject, begun in Bulletin No. 2, will be continued in successive issues, dealing with the decisions as they occur. All material parts of the decisions are reproduced in the words of the courts, indicated, when short, by quotation marks, and when long, by being printed solid. In order to save space immaterial matter, needed simply by way of explanation, is given in the words of the editorial reviser.]

### DECISIONS UNDER STATUTORY LAW.

APPROPRIATION OF MONEY IN AID OF TEXTILE SCHOOLS—CONSTITUTIONALITY OF STATUTE—*Hanscom et al. v. City of Lowell*. 43 *Northeastern Reporter*, page 196.—This case was brought in the supreme judicial court of Massachusetts, on a petition of ten taxpayers of the city of Lowell, against the defendant city, to restrain the payment of \$25,000, appropriated by the city council, to be paid to the trustees of the Lowell Textile School. The money was voted in accordance with chapter 475 of the acts of 1895, which provides that citizens of cities in which certain conditions exist may associate themselves together, by agreement in writing, for the purpose of establishing and maintaining a textile school, and that any city in which such a corporation is organized may appropriate and pay to such corporation a sum of money, not to exceed \$25,000.

The court rendered its decision February 29, 1896, and dismissed the petition. The opinion of said court was delivered by Judge Allen, and is as follows:

The establishment of a textile school in a large manufacturing city may be of such special and direct benefit to the city as to warrant the appropriation by it of a sum of money in aid of the school, although persons from elsewhere may be members or trustees of the corporation, or may be admitted to be taught therein. It is in aid of manufactures, which the constitution (part 2, c. 5, sec. 2) enjoins the legislature to encourage, and the statute (St. 1895, c. 475) falls within the doctrine of *Merrick v. Inhabitants of Amherst*, 12 Allen, 500, and is constitutional. See also *Jenkins v. Inhabitants of Andover*, 103 Mass., 94, 103. Petition dismissed.

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ASSIGNMENT FOR THE BENEFIT OF CREDITORS — PREFERRED CLAIMS—WAGES—*In re Scott et al.* 42 *Northeastern Reporter*, page 1079.—In the final accounting by William E. Scott and Alexander T. Brown, assignees of William A. Drake, the supreme court of New York, general term, rendered a judgment reversing an order of the county court of Orange County, denying a motion by Laura C. Aber for allowance of claim for wages, prepared under chapter 283 of the laws of



1886. From this judgment the National Bank of Port Jervis, a creditor, appealed to the court of appeals, which rendered its decision February 25, 1896, reversing the judgment of the supreme court. The following is quoted from the opinion of the court of appeals as delivered by Judge Haight:

The question raised upon this appeal calls for a construction of chapter 283 of the laws of 1886, which is as follows: "In all distributions of assets under all assignments made in pursuance of this act the wages or salaries actually owing to the employees of the assignor or assignors, at the time of the execution of the assignment, shall be preferred before any other debt, and should the assets of the assignor or assignors not be sufficient to pay in full all the claims preferred, pursuant to this section, they shall be applied to the payment of the same pro rata to the amount of each such claim."

It is contended on behalf of the appellants that the wages or salaries preferred under the provisions of this act are those only of employees who are actually in the employ of the assignor at the time of his executing the assignment. We are unable to adopt this view. It would practically nullify the provisions of the act. The assignor by discharging his employees the day before the execution of the assignment could evade its provisions. The language of the act does not require such a construction. It is the "wages or salaries actually owing to the employees of the assignor or assignors at the time of the execution of the assignment" that are preferred, and the preference is not limited to the wages and salaries of those in the employ of the assignor at the time of the assignment. This, we think, is the fair reading and meaning of the provision.

There is, however, one question which we think the general term has overlooked, and that is that the act was not intended to be retroactive, and to create a preference in favor of employees for wages earned prior to its passage. This question was considered in the case of *People v. Remington*, supra [16 Northeastern Reporter, p. 680], with reference to the act creating a preference of the wages of employees, etc., in corporations where a receiver had been appointed. It was held that that act was not retroactive, and, as we have seen, the views there expressed have been approved by this court. That act and the one we now have under review, so far as this question is concerned, are similar, and the same construction should be given to each.

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**ATTORNEYS' FEES IN SUITS FOR WAGES—LIEN FOR WAGES—**  
*Ackley v. Black Hawk Gravel Mining Co. et al.* 44 Pacific Reporter, page 330.—This action was brought in the superior court of Sierra County, Cal., by one David Ackley to establish and enforce a lien for wages. A judgment was rendered for the plaintiff and the defendants carried the case on appeal to the supreme court of the State. Said court rendered its decision March 24, 1896, and its opinion, delivered by Commissioner Searls, and containing a statement of the facts in the case, is given below:

This is an action to recover from the corporation defendant for work, labor, and services performed by plaintiff for said defendant, and to



have the value thereof declared a lien upon the property of said defendant under and pursuant to an act of the legislature of the State of California approved March 31, 1891, entitled "An act to provide for the payment of the wages of mechanics and laborers employed by corporations." The other defendants are made parties, and averred to have, or claim to have, some interest in the property of the corporation or lien thereon, etc. Plaintiff had judgment against the corporation for \$397 for wages, a counsel fee of \$100, and costs taxed at \$27.35, making a total of \$524.35, which was declared to be a valid lien upon the property of the corporation defendant described therein, and superior and paramount to any lien or interest of the other defendants, and decreeing the property so subject to said lien to be sold in satisfaction thereof. Defendants appealed from the judgment, and the cause comes up on the judgment roll without a statement or bill of exceptions. The statute in question is brief, and we quote it in full. It is as follows:

"SECTION 1. Every corporation doing business in this State shall pay the mechanics and laborers employed by it the wages earned by and due them weekly or monthly, on such day in each week or month as shall be selected by said corporation.

"SEC. 2. A violation of the provisions of section one of this act shall entitle each of the said mechanics and laborers to a lien on all the property of said corporation for the amount of their wages, which lien shall take preference over all other liens, except duly recorded mortgages or deeds of trust; and in any action to recover the amount of such wages, or to enforce said lien, the plaintiff shall be entitled to a reasonable attorney's fee, to be fixed by the court, and which shall form part of the judgment in said action, and shall also be entitled to an attachment against said property."

Various points are made by appellant in favor of reversal, one only of which need be noticed. The complaint is for work, labor, and services performed by plaintiff for the corporation defendant, and, so far as essential to the point in hand, is as follows: "That between the 1st day of May, 1892, and the 1st day of May, 1894, plaintiff performed twenty-four months' service for defendant, Black Hawk Gravel Mining Company, as watchman of its property, known as the 'Jenkins Ranch property,' hereinafter described, which said services were performed by plaintiff for said defendant corporation at its request; that said services were reasonably worth \$2,190; that no part thereof has been paid."

The findings are in almost the exact language of the complaint, except that the court finds the value of the services were \$480, and that \$83 has been paid on account thereof. There is no allegation or finding that plaintiff was employed by the week or month, or that his wages were "due weekly or monthly."

In *Keener v. Irrigation Company* (decided by department 1 of this court, December 31, 1895), 43 Pac., 14, this same statute was under review, and the court, speaking through Harrison, J., said: "By the terms of the first section of this act, it does not apply to all corporations, but only to those who, while doing business in this State, employ laborers and mechanics by the week or month, whose wages, under the terms of their employment, are payable weekly or monthly. It does not purport to impose upon those corporations any duty or liability toward all the mechanics or laborers whom it may employ, or to create a right in favor of those of its employees whose wages are not earned or payable by the week or by the month. As the remedy sought to be enforced herein exists only by virtue of the statute, it was incumbent upon the plaintiff to bring himself within the terms of the statute,



and to show that the wages earned by him were 'due weekly or monthly.' His complaint is, however, defective in this respect, and contains no allegation concerning the times at which the wages were payable, or that he was employed at weekly or monthly wages; and, from the allegations in reference thereto, it would seem that there was no agreement upon this point." Following the case above quoted, we add: As the plaintiff is not entitled to avail himself of the provisions of the act of 1891, that provision of the judgment allowing him a counsel fee was unauthorized. We recommend that the judgment in favor of the plaintiff for the sum of \$397, as wages and costs, be affirmed, and that that portion of the judgment awarding counsel fees, and declaring that plaintiff is entitled to a lien upon the property of the corporation defendant, and directing a sale of such property, be reversed, and that appellant recover its costs on this appeal.

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CHINESE LABORERS—DEPORTATION—*United States v. Sing Lee.* 71 *Federal Reporter*, page 680.—This case arose under chapter 50 of the acts of Congress of 1891-92, as amended by chapter 14 of the acts of Congress of 1893-94, providing for the restriction of Chinese immigration. The action was brought in the United States district court for the district of Oregon, and the decision of said court was rendered January 7, 1896.

The facts in the case are fully set forth in the opinion delivered by District Judge Bellinger, which appears below in part:

This is a proceeding for the deportation of the defendant on the ground that he is a Chinese laborer, and that he has failed to register as required by law. The defendant is a resident of the State of California, where he has lived many years. He swears, and proves by the testimony of a number of Chinese witnesses, that he is a merchant doing business in San Francisco. It appears that he is the lessee of some fruit land in California for a term of years, upon which he employs laborers; and the fact is stipulated in the case that he performed manual labor in aiding the laborers employed by him to work said farm in caring for the fruit during its growth and picking. It is \* \* \* established that a Chinese person who works for others for short periods of time, or who regularly works in the manufacture of fabrics for sale by himself, is a laborer, within the meaning of the Chinese exclusion acts. The lease referred to, as appears from the copy in evidence, was entered into August 6, 1894, and is for a certain ranch adjoining the town of Penryn, in Placer County, Cal. The term of the lease is from October 1, 1894, to the last day of September, 1897. The labor performed by the defendant was performed, it must be presumed, within the term of the lease, and after October 1, 1894; and this presents the question whether a person shown to have been a merchant at the date of the act in question [chapter 50, acts of 1891-92], and who continued to be such merchant until after the time within which laborers were permitted to register, is liable to deportation if, after such time, he becomes a laborer. I am of the opinion that such a person is not liable to deportation.

The act in question made it the duty of all Chinese laborers within the United States at the time of the passage of the act to procure a



certificate of residence. A merchant was not required to procure such certificate. Being, therefore, lawfully here, and having observed all the requirements of the acts of Congress affecting his race, it is not the policy of the law to make an act of labor thereafter performed by him a crime punishable with heavy penalties.

In addition to these considerations, the fact that this defendant has had for many years a fixed residence in California, and that he was arrested here while en route to Montana, to which point he had a through ticket, is against this proceeding. A practice like this is likely to result in oppression and injustice. If the defendant is a laborer, as is claimed, and has been so during the lease in question, he was liable to deportation in that jurisdiction, where the facts as to his case are easily obtainable, and where the law can be vindicated without inconvenience or danger of injustice. The findings will be for the defendant, and the order of the court is that he be discharged from arrest.

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COAL MINING—WEIGHING PRODUCT BEFORE SCREENING—*Martin v. State*. 42 *Northeastern Reporter*, page 911.—The appellant was convicted and fined \$100 on information and affidavit filed in the circuit court of Parke County, Ind., for a violation of sections 5 and 7 of the act approved March 2, 1891 (p. 57, acts of 1891), concerning coal mining, and appealed to the supreme court of the State. Section 5 of said act reads as follows:

All coal mined in this State under contract for payment by the ton or other quantity, shall be weighed before being screened, and the full weight thereof shall be credited to the miner of such coal, and eighty pounds of such coal as mined shall constitute a bushel, and two thousand pounds of coal as mined shall constitute a ton: *Provided*, That nothing in this act shall be so construed as to compel payment for sulphur, rock, slate, black-jack, or other impurities, including dirt, which may be loaded with or amongst the coal.

The affidavit and information charged that appellant, Martin, on February 13, 1894, was superintendent of mine No. 8 of the Parke County Coal Company, and that one William Cherry was employed by said company to mine coal at the rate and price of 70 cents per ton; that said Cherry mined a quantity of coal, exceeding 3½ tons, for said company, and that said Martin unlawfully failed and neglected to credit to said Cherry the full weight of such coal before it was screened, but screened it before it was weighed. The supreme court, January 29, 1896, reversed the judgment of the trial court and instructed it to sustain appellant's motion for a new trial. The opinion, delivered by Judge McCabe, contains the following:

Among other things, it is said by the learned counsel for the appellant that it is undisputed that the coal mined by Cherry contained sulphur, slate, black-jack, and other impurities. It further clearly appears that section 5 of the act of 1891 is impossible of execution, from the following evidence of Cherry: "Q. Is there any known practicable way in the business of bituminous coal mining to separate the sulphur, slate, black-jack, dirt, and other impurities from the fine coal



or the slack?—A. No; the only thing that can be done is to separate the lump coal from the slack. The part that does not pass through the screen is called ‘lump coal,’ and is the coal of commerce. The part that passes through the screen is called ‘slack,’ and is composed of the fine coal mixed with sulphur, slate, black-jack, dirt, and other impurities. There is no way known to the business of mining by which the fine coal of the slack can be separated from the sulphur, black-jack, dirt, and other impurities contained in the slack. Q. How about the lump coal?—A. Most of the impurities are contained in the slack; but the lump coal also contains some sulphur, slate, black-jack, and other impurities. It is impossible, in any practicable way, to separate the coal of the lump coal from the sulphur, slate, black-jack, and the like contained in the lump coal. Q. Is there any practicable way in the business of coal mining, either before or after screening, by which the pure coal may be completely and fully separated from the sulphur, slate, black-jack, and other impurities?—A. No; all that can be done is to separate the lump coal, with its impurities, from the slack, with its impurities, by screening. Q. State whether or not, in your opinion, it was practical to mine the coal you were working in that day and weigh and pay for it before screening such dirt and other small refuse matter?—A. It would have been impossible to have weighed the coal that I mined that day before screening it, and given me credit with the weight thereof, without also including in such weights the weight of such dirt and other refuse matter.” While section 5 imperatively requires the coal to be weighed before it is screened, and the full weight thereof to be credited to the miner of the same, yet the proviso qualified such requirement by providing “that nothing in this act shall be so construed as to compel payment for sulphur, rock, slate, black-jack, or other impurities,” etc. This was the State’s evidence, and stands uncontradicted; and from it the conclusion is irresistible that the only way possible to avoid paying for mining the impurities excepted out of the statute was by screening before weighing the coal, and even then some impurities would be paid for, but small in quantity compared with that resulting from weighing before screening the particular coal mined by Cherry involved in this prosecution. The provision as imperatively requires the statute to be so construed as not to compel payment for such impurities as it requires any coal mined to be weighed before it is screened; and, as the evidence makes it clear that the only way to avoid payment for such impurities in the case of the particular coal here involved was to screen it before it was weighed, therefore the failure to weigh before it was screened was not a violation of the fifth section, and hence the appellant, under the evidence, was not liable to the penalty provided in the seventh section. Therefore the finding of the court was contrary to the law and the evidence, which was assigned as a cause in the motion for a new trial.

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EMPLOYERS’ LIABILITY—ASSUMPTION OF RISKS BY EMPLOYEE—CONSTRUCTION OF THE “FACTORY ACT”—*Knisley v. Pratt et al.* 42 *Northeastern Reporter*, page 986.—This action was brought by Sarah Knisley against Pascal P. Pratt and others to recover damages for the loss of her left arm. The plaintiff, who was operating a “punching machine” in a hardware factory, was engaged in cleaning it while it



was in motion, by rubbing the dirt and oil off the punch and uprights with a piece of waste held in her left hand; and her hand was caught between the cogwheels, causing such injuries to it and the arm as to necessitate amputation of the latter near the shoulder. The judgment of the trial court was given for the defendants and the plaintiff appealed to the supreme court of the State (New York) which, in general term, rendered a judgment granting the plaintiff a new trial. From this judgment the defendants appealed to the court of appeals of the State, which, on February 18, 1896, reversed the order of the supreme court and ordered a judgment for the defendants against the plaintiff on nonsuit with costs. The opinion of the court of appeals, delivered by Judge Bartlett, shows the facts in the case, and the following is quoted therefrom:

Plaintiff, being of full age, entered the employ of defendants in May or June, 1890, and the accident happened September 24, 1891. She testified that she worked, off and on, about three months on these punching machines prior to the accident, sometimes an hour, sometimes half a day at a time, as required; that up to the time of the accident she had worked twelve different times, on different days, upon one of the punching machines, and had cleaned it about seven or eight times. It is insisted, on behalf of the plaintiff, that even if, under the admitted facts, she would by the rules of the common law be deemed to have assumed, not only the ordinary but the obvious risks of the business, yet the provisions of the statute commonly known as the "Factory act" would enable her to recover. Laws 1890, p. 753, c. 398, amending laws 1886, c. 409, entitled "An act to regulate the employment of women and children in manufacturing establishments and to provide for inspectors to enforce the same."

The statute [section 12 of above act] provides that it shall be the duty of the owner of any manufacturing establishment to furnish, in the discretion of the factory inspector, belt shifters, for the purpose of throwing on or off belts or pulleys. It also provides absolutely that cogs shall be properly guarded. It is admitted that the cogwheels were unguarded on this machine. The plaintiff was injured by reason of that condition of the cogwheels, and it appears that a piece of sheet iron, put in between the upright and the gear wheels, would have protected the hand of the operative while cleaning the machine when in motion. The defendants are chargeable, therefore, with one omission only under the statute, viz, a failure to properly guard the cogwheels of the punching machine.

In order to sustain the judgment in favor of plaintiff, it is necessary to hold that, where the statute imposes a duty upon the employer the performance of which will afford greater protection to the employee, it is not possible for the latter to waive the protection of the statute, under the common-law doctrine of obvious risks. We regard this as a new and startling doctrine, calculated to establish a measure of liability unknown to the common law, and which is contrary to the decisions of Massachusetts and England under similar statutes.

It should be remarked at the outset that the factory act in this State does not, in terms, give a cause of action to one suffering an injury by reason of the failure of the employer to discharge his duty thereunder. An action for such injury is the ordinary common-law action for negligence, and subject to the rules of the common law.



The principle contended for seems to rest, if it can be maintained at all, upon a question of public policy. The factory act, it is said, is passed to regulate the employment of women and children, and imposes upon the employer certain duties, and subjects him to specified penalties in case of default; that a sound public policy requires the rigid enforcement of this act, and it would contravene that policy to permit an employee, by implied contract or promise, to waive the protection of the statute. We think this proposition is essentially unsound, and proceeds upon theories that can not be maintained. It is difficult to perceive any difference in the quality and character of a cause of action, whether it has its origin in the ancient principles of the common law, in the formulated rules of modern decisions, or in the declared will of the legislature. Public policy in each case requires its rigid enforcement, and it was never urged in the common-law action for negligence that the rule requiring the employee to assume the obvious risks of the business was in contravention of that policy.

We are of the opinion that there is no reason in principle or authority why an employee should not be allowed to assume the obvious risks of the business, as well under the factory act as otherwise. There is no rule of public policy which prevents an employee from deciding whether, in view of increased wages, the difficulties of obtaining employment, or other sufficient reasons, it may not be wise and prudent to accept employment subject to the rule of obvious risks. The statute does, indeed, contemplate the protection of a certain class of laborers, but it does not deprive them of their free agency and the right to manage their own affairs.

The facts in the case at bar, whether it be considered as an action for negligence at common law or under the statute, show conclusively that the plaintiff assumed the obvious risk of working on the machine in operating which she was injured. It is impossible not to feel great sympathy for this unfortunate plaintiff, who has been maimed for life, but her recovery is barred by legal principles that are salutary and proper in the general administration of justice.

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**EMPLOYERS' LIABILITY—DEFECTIVE WAYS, WORKS, OR MACHINERY—***Geloneck v. Dean Steam Pump Co.* 43 *Northeastern Reporter*, page 85.—Action was brought in the superior court of Hampden County, Mass., by Otto G. Geloneck against the Dean Steam Pump Company to recover for personal injuries in moving machinery on trucks furnished by the defendants. The plaintiff relied principally upon clause 1 of section 1 of chapter 270 of the acts of 1887, which reads as follows:

Where, after the passage of this act, personal injury is caused to an employee, who is himself in the exercise of due care and diligence at the time:

(1) By reason of any defect in the condition of the ways, works, or machinery connected with or used in the business of the employer, which arose from or had not been discovered or remedied owing to the negligence of the employer or of any person in the service of the employer and intrusted by him with the duty of seeing that the ways, works, or machinery were in proper condition; \* \* \* the employee, or in case



the injury results in death, the legal representatives of such employee, shall have the same right of compensation and remedies against the employer as if the employee had not been an employee of nor in the service of the employer, nor engaged in its work. \* \* \*

The facts in the case were substantially as follows: A pump had been loaded onto a truck and the foreman in charge undertook to run it up into a room, but the pole handle, not being properly secured, swung around and caused the pump to topple over and fall upon the plaintiff, injuring him severely.

A verdict was given for the plaintiff in the superior court and judgment was rendered in his favor. The defendants carried the case, on exceptions to the charge of the judge, to the supreme court of the State, which rendered its decision February 25, 1896, sustaining the judgment of the lower court. In the opinion of said court, delivered by Judge Barker, the following language was used:

The jury were instructed, in substance, that, to constitute a defect in the condition of the ways, works, or machinery, it was not necessary that any particular instrument should be defective in itself; that, for instance, the plaintiff need not show that there was a fault in the truck, that it had a cracked wheel or a broken axletree, or something of that kind, which gave way; that, in the sense of the law, a thing may be found to be not reasonably safe and suitable, if it is insufficient and unsuitable for the purposes to which it is applied, and is intended to be applied, and under the conditions in which it is used, and is intended to be used; that the question is not limited to whether there is something which has a weak spot or crack, or is decayed, but it involves the inquiry whether the appliances, as they are put together and used, and intended to be used, are reasonably safe and suitable. In connection with this instruction, the jury was also told that the defendant was not obliged to have a faultless arrangement, or one with which nobody could find any fault, but only to use reasonable care to have things reasonably safe and suitable. These instructions were correct. An unsuitableness of ways, works, or machinery, for work intended to be done, and actually done, by means of them, is a defect, within the meaning of St. 1887, c. 270, sec. 1, cl. 1, although the ways, works, or machinery are perfect of their kind, in good repair, and suitable for some work done in the employer's business, other than the work in doing which their unsuitableness causes injury to the workmen.

In such a case the employer is wrong in furnishing appliances for a use for which they are unsuitable, and, in effect, in so ordering and carrying on his work that, without fault of the ordinary workman, the natural consequence will be that the appliances will be used for purposes for which they are unsuitable. The circumstance that the employer intends that his work shall be done in the manner and by the means in use when the accident occurs distinguishes the case from those in which he furnishes a stock of appliances from which the workman is to select such as are fit for the particular work in hand. Such an unsuitableness is neither accidental nor temporary, nor due to the negligence of a workman who is not charged with the duty of attending to the fitness of the ways, works, and machinery. Exceptions overruled.



MASTER AND SERVANT—TERM OF EMPLOYMENT—*Rosenberger v. Pacific Coast Railway Company*. 43 *Pacific Reporter*, page 963.—Action was brought by E. B. Rosenberger against the railroad company in the superior court of San Luis Obispo County, Cal. Judgment was given for Rosenberger and the railroad company appealed to the supreme court of the State, which rendered its decision February 21, 1896, affirming the judgment of the lower court. The facts of the case are stated fully in the opinion of the court, which is given in part below:

This cause was tried by the court and a jury, the plaintiff had judgment, and the defendant appeals therefrom, and from an order denying a new trial. The plaintiff claimed that he was employed by the defendant as an accountant for the period of one year, commencing November 24, 1893, at a salary of \$1,800 per annum, payable in monthly installments of \$150, and that he was discharged without cause March 24, 1894. This action was commenced, July 17, 1894, to recover three months' salary, from March 24 to June 24, 1893, amounting to \$450, and for that sum he recovered judgment. The defense was that the employment was not for any definite time, and that his discharge was justifiable, because of his failure to give bond for the faithful discharge of his duties.

Prior to the employment in question, plaintiff was employed in a similar capacity in the offices of the Union Pacific Railway at Omaha, and had made an application for employment to the auditor of the Oregon Improvement Company, with which company defendant is connected. C. O. Johnson, defendant's superintendent, wrote plaintiff, November 4, 1893, to know whether he was still an applicant, and for information as to experience, salary required, etc. To this letter plaintiff replied, saying, as to salary, that it should be worth \$1,800 or \$2,000 a year. To this Johnson replied by telegraph, saying: "Yours ninth. Salary eighteen hundred. Change immediate if possible. Could probably arrange transportation. Wire earliest date."

Plaintiff arrived at San Luis Obispo the night of November 24, and on the morning of the 25th talked with Mr. Johnson an hour and a half, but plaintiff was unable to state with any particularity what was said, but, as he expressed it: "As near as I can give it, we arrived at an understanding to furnish me one year's employment upon satisfactory performance of my duties which I had undertaken. \* \* \* I say that as near as I can recollect, we arrived at that understanding." Mr. Johnson testified that in this conversation nothing was said as to salary, or the term for which he was employed, but that it related wholly to the duties he was to perform. Though plaintiff was paid monthly, up to the time of his discharge, at the rate \$150 per month, the correspondence constituted a hiring for a year. Section 2010 of the Civil Code provides: "A servant is presumed to have been hired for such length of time as the parties adopt for the estimation of wages. A hiring at a yearly rate is presumed to be for one year; a hiring at a daily rate for one day; a hiring by piecework for no specified time." The payment by the month, at the monthly proportion of the yearly rate, would not of itself be sufficient to change the contract to a hiring by the month; nor would the custom of the defendant, or of all railroad companies, to hire by the month convert the contract, created by the correspondence between the parties, which under the code constituted a contract for a year, into a contract by the month. If the correspondence had not fixed the term for which the plaintiff was hired, section 2011 of the Civil Code,



as well as the custom, would have made a hiring by the month. Upon this point the instruction to the jury was right, and the verdict justified by the evidence.

While it is the duty of an employee who has been wrongfully discharged to seek other employment, and thus diminish the damages sustained by him, he is not required, as a condition of recovery, to show that he has made such endeavor and failed. The burden is on the defendant to show that he could, by diligence, have obtained employment elsewhere. Whatever compensation may have been received in such employment is also to be shown by the defendant in mitigation of damages; otherwise the damages will be measured by the salary or wages agreed to be paid.

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**SUNDAY LABOR—BARBERS—CONSTITUTIONALITY OF STATUTE—**  
*Ex parte Jentzsch.* 44 *Pacific Reporter*, page 803.—This case was brought before the supreme court of California on a petition by Leo Jentzsch for a writ of habeas corpus to secure his discharge from custody under a conviction for violation of section 310½ of the Penal Code, prohibiting barbers from keeping open their places of business or working at their trade on Sundays after 12 o'clock noon. The court rendered its decision April 17, 1896, declaring the above section unconstitutional, and from its opinion, delivered by Judge Henshaw, the following is quoted:

Petitioner was convicted under section 310½ of the Penal Code, which is a new section, enacted in 1895, and which provides as follows: "Every person who as proprietor, manager, lessee, employee, or agent keeps open or conducts, or causes to be kept open or conducted, any barber shop, bath house and barber shop, barber shop of a bathing establishment, or hair-dressing establishment, or any place for shaving or hair dressing used and conducted in connection with any other place of business or resort, or who engages at work or labor as a barber in any such shop or establishment on Sunday, or on a legal holiday, after the hour of 12 o'clock m. of said day, is guilty of a misdemeanor."

It is contended that the section is a violation of the following constitutional provisions:

Article 1, § 1: "All men are by nature free and independent, and have certain inalienable rights, among which are those of enjoying and defending life and liberty; acquiring, possessing and protecting property; and pursuing and obtaining safety and happiness."

Article 1, § 21: "No special privileges or immunities shall ever be granted which may not be altered, revoked or repealed by the legislature; nor shall any citizen, or class of citizens, be granted privileges or immunities which, upon the same terms, shall not be granted to all citizens."

Article 4, § 25, subsecs. 2, 33: "The legislature shall not pass local or special laws in any of the following enumerated cases, that is to say: Second. For the punishment of crimes and misdemeanors." "In all cases where a general law can be made applicable."

In construing so-called "Sunday laws" courts have variously regarded them, some from a religious view, others from a secular, and still others from an anomalous commingling of both. In this State they have never been upheld from a religious standpoint. Under a constitution which



guaranties to all equal liberty of religion and conscience, any law which forbids an act not in itself contra bonos mores, because that act is repugnant to the beliefs of one religious sect, of necessity interferes with the liberty of those who hold to other beliefs or to none at all. Liberty of conscience and belief is preserved alike to the followers of Christ, to Buddhist, and Mohammedan, to all who think that their tenets alone are illumined by the light of divine truth; but it is equally preserved to the skeptic, agnostic, atheist, and infidel, who says in his heart, "There is no God." So it has come to be the established rule in this State to view and construe such laws as civil and secular enactments. Thus construed, these laws, when decreed valid, are upheld as a proper exercise of the police power, as an exercise of the legislative prerogative to regulate the relations, contracts, intercourse, and business of society at large, and its particular members with respect to each other. Herein it is held that the legislature may pass laws for the preservation of health and the promotion of good morals—propositions which are indisputable.

Says Mr. Justice Field, in *Ex parte Newman*, 9 Cal., 518: "Labor is a necessity, imposed by the condition of our race, and to protect labor is the highest office of our laws." It is this language which respondent quotes and relies upon in support of the validity of this penal statute. Upon the question thus presented of the proper limits of the police power much might be written, and much, indeed, will have to be written, ere just bounds are set to its exercise. But in this case neither time permits nor necessity demands the consideration. Still it may be suggested in passing that our Government was not designed to be paternal in form. We are a self-governing people, and our just pride is that our laws are made by us as well as for us. Every individual citizen is to be allowed so much liberty as may exist without impairment of the equal rights of his fellows. Our institutions are founded upon the conviction that we are not only capable of self-government as a community, but, what is the logical necessity, that we are capable, to a great extent, of individual self-government. If this conviction shall prove ill founded, we have built our house upon sand. The spirit of a system such as ours is therefore at total variance with that which, more or less veiled, still shows in the paternalism of other nations.

It may be injurious to health to eat bread before it is twenty-four hours old, yet it would strike us with surprise to see the legislature making a crime of the sale of fresh bread. We look with disfavor upon such legislation as we do upon the enactment of sumptuary laws. We do not even punish a man for his vices, unless they be practiced openly, so as to lead to the spread of corruption or to breaches of the peace or to public scandal. In brief, we give to the individual the utmost possible amount of personal liberty, and, with that guaranteed him, he is treated as a person of responsible judgment, not as a child in his nonage, and is left free to work out his destiny as impulse, education, training, heredity, and environment direct him. So, while the police power is one whose proper use makes most potently for good, in its undefined scope and inordinate exercise lurks no small danger to the Republic, for the difficulty which is experienced in defining its just limits and bounds affords a temptation to the legislature to encroach upon the rights of citizens with experimental laws none the less dangerous because well meant. We think the act under consideration gives plain evidence of such encroachment. It is sought to be upheld by the argument that it is a police regulation; that it seeks to protect labor against the oppression of capital. The people have passed the



law; let not the courts interfere with it. If the people are dissatisfied they may amend or repeal it.

It is not easy to see where or how this law protects labor from the unjust exactions of capital. A man's constitutional liberty means more than his personal freedom. It means, with many other rights, his right freely to labor, and to own the fruits of his toil. It is a curious law for the protection of labor which punishes the laborer for working. Yet that is precisely what this law does. The laboring barber, engaged in a most respectable, useful, and cleanly pursuit, is singled out from the thousands of his fellows in other employments and told that, willy nilly, he shall not work upon holidays and Sundays after 12 o'clock noon. His wishes, tastes, or necessities are not consulted. If he labors, he is a criminal. Such protection to labor, carried a little further, would send him from the jail to the poorhouse. How comes it that the legislative eye was so keen to discern the needs of the oppressed barber, and yet was blind to his toiling brethren in other vocations? Steam-car and street-car operatives toil through long and weary Sunday hours; so do mill and factory hands. There is no Sunday period of rest, and no protection for the overworked employees of our daily papers. Do these not need rest and protection? The bare suggestion of these considerations shows the injustice and inequality of this law. In brief, whether or not a general law to promote rest from labor in all business vocations may be upheld as within the due exercise of the police power as imposing for its welfare a needed period of repose upon the whole community, a law such as this certainly can not. A law is not always general because it operates upon all within a class. There must be back of that a substantial reason why it is made to operate only upon a class, and not generally upon all. As was said in *Passadena v. Simpson*, 91 Cal., 238, 27 Pac., 604: "The conclusion is that, although a law is general and constitutional when it applies equally to all persons embraced in a class founded upon some natural or intrinsic or constitutional distinction, it is not general or constitutional if it confers particular privileges or imposes peculiar disabilities or burdensome conditions in the exercise of a common right upon a class of persons arbitrarily selected from the general body of those who stand in precisely the same relation to the subject of the law."

And in *Darcy v. City of San Jose*, 104 Cal., 642, 38 Pac., 500: "The classification, however, must be founded upon differences which are either defined by the constitution or natural, and which will suggest a reason which might rationally be held to justify the diversity of legislation." In the case of our cities the constitution itself decrees a classification by population, and the differing exigencies of municipal government require that laws operating upon any class should be held general; otherwise the constitutional scheme itself is overthrown. But in a law such as this no reason has been or can be shown why the followers of one useful and unobjectionable employment should be debarred from the right to labor upon certain days, and others in like classes of employment be not so debarred. If it be constitutional to single out one such class, and debar its members from the right to labor on one day in the week, it would be constitutional to prohibit them from following their vocation upon six days of the week. When any one such class is singled out and put under the criminal ban of a law such as this, the law not only is special, unjust, and unreasonable in its operation, but it works an invasion of individual liberty—the liberty of free labor, which it pretends to protect. Here \* \* \* the designated class is based upon no distinction, and, as is said by Judge



Cooley: "Everyone has a right to demand that he be governed by general rules; and a special statute that singles his case out as one to be regulated by a different law from that which is applied in all similar cases would not be legitimate legislation, but an arbitrary mandate, unrecognized by the law." The prisoner is discharged.

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**SUNDAY LABOR—BARBERS—CONSTITUTIONALITY OF STATUTE—**  
*State v. Granneman. 33 Southwestern Reporter, page 784.*—William Granneman was convicted in the St. Louis court of criminal corrections of plying his trade as a barber on Sunday in violation of the act approved March 18, 1895, and from the judgment of said court he appealed to the supreme court of Missouri.

The act under which the conviction was had reads as follows:

**SECTION 1.** It shall be a misdemeanor for any person to carry on the business of barbering on Sunday.

**SEC. 2.** Anyone found guilty of violating the first section of this act shall be fined not less than twenty-five dollars, nor more than fifty dollars, or imprisoned in the county jail not less than fifteen nor more than thirty days, or both, in the discretion of the court.

January 21, 1896, the supreme court rendered its decision in this case, declaring the above act unconstitutional and reversing the judgment of the lower court. From the opinion of said court, delivered by Judge Burgess, the following is quoted:

Defendant's first contention is that the act of the general assembly, under which the conviction was had, is in conflict with section 53, article 4, of the constitution of this State, and therefore void.

The section of the constitution with which it is claimed the law is in conflict provides that "the general assembly shall not pass any local or special law. \* \* \* And where a general law can be made applicable, no local or special law shall be enacted; and whether a general law could have been made applicable in any case is hereby declared a judicial question, and as such shall be judicially determined, without regard to any legislative assertion on that subject."

Barbering is laboring, and the object of the act is to enforce an observance of the Sabbath, and to prohibit that kind of labor on that day. The policy of our laws is to compel the observance of Sunday as a day of rest, and if this may be done by a general law, applicable alike to all classes and kinds of labor, then the act falls within the inhibition of the paragraph of the constitution quoted, which prohibits the legislature from passing any local or special law, where a general law can be made applicable. That a general law prohibiting all kinds of labor on Sunday may not only be passed, but that we have such a law now upon our statute book, is indisputable. 1 Rev. St. 1889, § 3852. The fact that laboring on Sunday may be prohibited by proper legislation, as a police regulation, does not place the act beyond or without the inhibition of the constitution.

If the act is valid, then why may not the legislature by one act prohibit the farmer from laboring on Sunday, by another a blacksmith, and so on until all kinds of labor on that day are prohibited? Clearly, this may be done by a general law embracing all kinds of labor. The object



of the constitution is manifest. It was to prohibit special and local legislation, and to substitute general law in place of it, wherever by a general law the same ends could be accomplished. While we recognize the wholesome rule that the invalidity of an act of the legislature passed in conformity with the mandates of the constitution should appear beyond a reasonable doubt before we assume to pronounce it void, there is still another rule, alike obligatory on us, which requires us to pronounce such a law invalid when it clearly appears to be so by reason of its being in conflict with the constitution. Our conclusion is that the law is invalid, because in conflict with the constitution. The judgment is reversed, and defendant discharged.

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SUNDAY LABOR—BARBERS—CONSTITUTIONALITY OF STATUTE—*People v. Havnor*. 43 *Northeastern Reporter*, page 541.—Henry J. Havnor was convicted of carrying on the business of a barber in the city of New York after 1 o'clock p.m. on Sunday in violation of the provisions of chapter 823 of the acts of 1895. The judgment of the trial court was affirmed by the appellate division of the supreme court of New York and the defendant appealed to the court of appeals of the State, which rendered its decision April 14, 1896, and affirmed the judgments of the lower courts. The following is quoted from the opinion of said court, which was delivered by Judge Vann:

The main ground upon which the defendant asks us to reverse the judgment against him is that the statute under which he was convicted is in conflict with that provision of the constitution which provides that "no person shall be deprived of life, liberty or property without due process of law." Const., art. 1, § 6. The statute in question, entitled "An act to regulate barbering on Sunday," provides that "any person who carries on or engages in the business of shaving, hair cutting or other work of a barber on the first day of the week shall be deemed guilty of a misdemeanor \* \* \* provided that in the city of New York and the village of Saratoga Springs barber shops \* \* \* may be kept open and the work of a barber performed therein until one o'clock of the afternoon of the first day of the week." Laws 1895, c. 823. The defendant claims that this statute deprives him to a certain extent of his "liberty," by preventing him from carrying on a lawful calling as he wishes, and also of his "property," by preventing the free use of his premises, tools, and labor, and thus rendering them less productive. It is not claimed that his occupation is of a noisy nature, or that he so carried on his business as to disturb the peace, quiet, and good order of the neighborhood, or that the act for which he was convicted, if done on any day of the week other than the first, or at any hour of that day prior to 1 o'clock in the afternoon, would have been a violation of law. Nor is it claimed that the conviction was authorized by the common law, or that it was based upon any statute except the one above cited, and, indeed, the judgment of the court of special sessions expressly refers to that act, and adjudges the defendant guilty of a misdemeanor because he violated its command.

The phrase "due process of law" is not satisfied by a judgment pronounced, after an opportunity to be heard, by a court of competent jurisdiction, in accordance with the provisions of a statute, unless that statute accords with the provisions of the fundamental law. In a broad



sense, whatever prevents a man from following a useful calling is an invasion of his "liberty," and whatever prevents him from freely using his lands or chattels is a deprivation of his "property." Yet, during the history of our State, many laws have been passed which, to some extent, have interfered with the right to liberty and property; but their accord with the constitution has seldom been questioned, and, when questioned, has been generally sustained. The power of taxation, the right to preserve the public health, to protect the public morals, and to provide for the public safety, may interfere somewhat with both liberty and property, yet proper statutes to effect these ends have never been held to invade the guaranties of the constitution. While the confinement of the insane or of those afflicted with contagious diseases infringes upon personal liberty, and the destruction of buildings to prevent the spread of fire, the exercise of the power of eminent domain, and the prevention of cruelty to animals encroach upon the right to property, still the proper exercise of these powers, under the authority of the legislature, although constant and known of all men, gives rise to no question of moment under the constitution. The sanction for these apparent trespasses upon private rights is found in the principle that every man's liberty and property is, to some extent, subject to the general welfare, as each person's interest is presumed to be promoted by that which promotes the interest of all. Dependent upon this principle is the great police power, so universally recognized, but so difficult to define, which guards the health, the welfare, and the safety of the public. While this power may not be employed ostensibly for the common good, but really for an ulterior purpose, when its object and effect are manifestly in the public interest, as was said in the *Jacobs Case*, "it is very broad and comprehensive, and \* \* \* under it the conduct of an individual and the use of property may be regulated so as to interfere, to some extent, with the freedom of the one and the enjoyment of the other." In the exercise of this power the legislature has the right, generally, to determine what laws are needed to preserve the public health and protect the public safety, yet its discretion in this respect is not wholly without limit, for our courts have been steadfast in holding that the statute must have some relation to the general welfare; that the purpose to be reached must be a public purpose, and that "the law must in fact be a police law." Thus it has been held that "an act to improve the public health by prohibiting the manufacture of cigars and preparation of tobacco in any form in tenement houses in certain cases" (Laws 1884, c. 272) was unconstitutional, because it did not tend to promote the public health, and that this was not the end actually aimed at. For the same reason "an act to prevent deception in sales of dairy products" (Laws 1884, c. 202) was declared to conflict with the constitution, as it absolutely prohibited an innocent industry that was not fraudulently conducted, solely for the reason that it competed with another, and might reduce the price of an article of food. In a recent case an act prohibiting the sale of any article of food, upon the inducement that something would be given to the purchaser as a premium or reward (Laws 1887, c. 691), was held to be an unauthorized invasion of the rights of property and an improper exercise of the police power of the State. It was expressly declared in that case that the courts must be able to see, upon a perusal of the enactment, that there is some fair, just, and reasonable connection between it and the common good, and that, unless such relation exists, the statute can not be upheld as an exercise of the police power. Subject, however, to the limitation that the real object of the statute must appear, upon



inspection, to have a reasonable connection with the welfare of the public, the exercise of the police power by the legislature is well established as not in conflict with the constitution. When thus exercised, even if the effect is to interfere to some extent with the use of property or the prosecution of a lawful pursuit, it is not regarded as an appropriation of property or an encroachment upon liberty, because the preservation of order and the promotion of the general welfare, so essential to organized society, of necessity involve some sacrifice of natural rights.

The vital question, therefore, is whether the real purpose of the statute under consideration has a reasonable connection with the public health, welfare, or safety. The object of the act, as gathered from its title and text, was to regulate the prosecution of a particular trade on Sunday, by prohibiting it from being carried on as a business on that day, except in two localities, to which the prohibition applies only after a certain hour. It does not require the observance of the Sabbath as a holy day, or in any sense as a religious institution, as is evident from the fact that the entire day is left open to all secular employments but one, and a part of the day, in certain places, to that. There is nothing in the act to prevent the defendant from carrying on his trade "in any manner or in any place that he pleases. He is simply prohibited from carrying on that trade upon Sunday." The peculiar character of the first day of the week, not simply on account of the obligations of religion, but as a day of rest and recreation, has been recognized for time out of mind both by the legislature and the courts. Statutes passed upon the subject while we were a colony of Great Britain, as well as under the various constitutions in force since our organization as a State, have, so far as appears, been uniformly enforced by the courts. Similar laws in other States, and especially those which require the closing of places of business on Sunday, have generally been sustained.

While questions have been raised as to noiseless and inoffensive occupations that can be carried on by one individual without requiring the services of others, as well as to persons who observe the seventh instead of the first day of the week, still the rule is believed to be general throughout the Union, although not generally enforced, that the ordinary business of life shall be suspended on Sunday, in order that thereby the physical and moral well-being of the people may be advanced. The inconvenience to some is not regarded as an argument against the constitutionality of the statute, as that is an incident to all general laws. Sunday statutes have been sustained as constitutional almost without exception; the most notable instance to the contrary (*Ex parte Newman*, 9 Cal., 502), decided by a divided court in an early day in California, having been subsequently overruled by the courts of that State (*Ex parte Andrews*, 18 Cal., 685; *Ex parte Koser*, 60 Cal., 202). The leading case in our own State upon the subject is that of *Lindenmuller v. People* (33 Barb., 548), in which Judge Allen discussed the common law, as well as legislation affecting the Sabbath, with great force and clearness. He held, in substance, that the body of the constitution recognizes Sunday as a day of rest, and an institution to be respected, by not counting it as a part of the time allowed to the governor for examining bills submitted for his approval; that the Sabbath exists as a day of rest by the common law, without the necessity of legislative action to establish it; and that the legislature has the right to regulate its observance as a civil and political institution. That case was expressly approved in *Neuendorff v. Duryea* (69 N. Y., 557, 561, 563), and was referred to as one "which has never been questioned in a court of



higher or equal authority," and "as declaring the law of this State." It was cited with approval in *People v. Moses* (140 N. Y., 214, 215; 35 N. E., 499), where Judge Earl, speaking for a majority of the court, said: "The Christian Sabbath is one of the civil institutions of the State, and that the legislature, for the purpose of promoting the moral and physical well-being of the people, and the peace, quiet, and good order of society, has authority to regulate its observance and prevent its desecration by any appropriate legislation, is unquestioned." While works of charity and necessity have usually been excepted from the effect of laws relating to the Sabbath, and sometimes, also, those persons who keep another day of the week, still quiet pursuits have not, even when they can be carried on without the labor of others, because general respect and observance of the day, so far as practicable, have been deemed essential to the interest of the public, including as a part thereof, those who prefer not to keep the day, as their health and morals are entitled to protection, even against their will, the same as those of any other class in the community. According to the common judgment of civilized men, public economy requires, for sanitary reasons, a day of general rest from labor, and the day naturally selected is that regarded as sacred by the greatest number of citizens, as this causes the least inconvenience through interference with business. (*Lindemuller v. People*, supra.)

It is to the interest of the State to have strong, robust, healthy citizens, capable of self-support, of bearing arms, and of adding to the resources of the country. Laws to effect this purpose, by protecting the citizen from overwork, and requiring a general day of rest to restore his strength and preserve his health, have an obvious connection with the public welfare. Independent of any question relating to morals or religion, the physical welfare of the citizen is a subject of such primary importance to the State, and has such a direct relation to the general good, as to make laws tending to promote that object proper under the police power, and hence valid under the constitution, which "presupposes its existence, and is to be construed with reference to that fact." (*Village of Carthage v. Frederick*, 122 N. Y., 268, 273; 25 N. E., 480.) The statute under discussion tends to effect this result, because it requires persons, engaged in a kind of business that takes many hours each day, to refrain from carrying it on during one day in seven. This affords an opportunity, recurring at regular intervals, for rest, needed both by the employer and the employed, and the latter, at least, may not have the power to observe a day of rest without the aid of legislation. As Mr. Tiedeman says, in his work on Police Powers: "If the law did not interfere, the feverish, intense desire to acquire wealth, \* \* \* inciting a relentless rivalry and competition, would ultimately prevent not only the wage earners, but likewise the capitalists and employers themselves, from yielding to the warnings of nature, and obeying the instinct of self-preservation, by resting periodically from labor." (*Tied. Lim.*, 181.) As barbers generally work more hours each day than most men, the legislature may well have concluded that legislation was necessary for the protection of their health. We think that this statute was intended and is adapted to promote the public health, and thereby to serve a public purpose of the utmost importance, by promoting the observance of Sunday as a day of rest. It follows, therefore, that it does not go beyond the limits of legislative power by depriving anyone of liberty or property within the meaning of the constitution.

The learned counsel for the defendant, however, criticises the act in



question as class legislation, and claims that it is invalid under the fourteenth amendment to the Constitution of the United States, because it denies to barbers who do not reside in New York or Saratoga the equal protection of the laws. That amendment does not relate to territorial arrangements made for different portions of a State, nor to legislation which, in carrying out a public purpose, is limited in its operation, but, within the sphere of its operation, affects alike all persons similarly situated. It was not designed to interfere with the exercise of the police power by the State for the protection of health, or the preservation of morals. The statute treats all barbers alike within the same localities, for none can work on Sunday outside of New York and Saratoga, but all may work in those places until a certain hour. All are, therefore, treated alike under like circumstances and conditions, both in the privileges conferred and in the liabilities imposed. (*Hayes v. Missouri*, 120 U. S., 68; 7 Sup. Ct., 350.) As was said by the learned appellate division in deciding this case: "If the legislature has power to regulate the observance and prevent the desecration of the Sabbath, it has the power to say what acts in the different localities of the State it is necessary to prohibit to accomplish this purpose. It is quite conceivable that an act in one locality, thickly settled, should be prohibited, which in sparsely settled districts of the State could be allowed, and for this reason an act might be objectionable in one district, but not in another. All of these regulations have in view the proper observance of the day, and are within the discretion of the legislature."

We think that the statute violates no provision of either the Federal or State constitution, and that the judgment appealed from should, therefore, be affirmed.

This case was decided by a divided court, and strong dissenting opinions were delivered by Judges Gray and Bartlett.

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VALIDITY OF CONTRACTS MAKING THE ACCEPTANCE OF BENEFITS FROM RAILWAY RELIEF FUND BY EMPLOYEES A WAIVER OF CLAIMS FOR PERSONAL INJURIES—CONSTITUTIONALITY OF STATUTE—*Shaver v. Pennsylvania Co.* 71 *Federal Reporter*, page 931.—This case was tried in the United States circuit court for the northern district of Ohio and the decision of said court was given January 28, 1896. The opinion was delivered by District Judge Ricks and contains a full statement of the facts in the case. The following language is quoted therefrom:

This suit was originally instituted in the court of common pleas for Lucas County, and, by due proceedings had, was removed by the defendant, which is a nonresident corporation, to this court. The plaintiff sues to recover for damages, because of certain negligence of the defendant and its agents in failing to have properly filled the space between the ties at a certain junction or cross-over in said county, by reason of which plaintiff's foot was caught while undertaking to uncouple cars. There are certain other acts of negligence charged in the petition, which it is not necessary here to consider. Plaintiff claims permanent injury, and damages in the sum of \$25,000.

To this petition the defendant filed an answer, which, after denying the negligent acts charged in the petition, set up, as a third defense,



that said plaintiff, at the time he received the injuries complained of, was a member of the Voluntary Relief Department of the Pennsylvania Lines West of Pittsburg; that said Voluntary Relief Department is an organization formed for the purpose of establishing and managing a fund, known as a "relief fund," for the payment of definite amounts to employees contributing to the fund who, under the regulations, are entitled thereto when they are disabled by accident or sickness, and, in the event of their death, to their relatives or other beneficiaries specified in the application for insurance; that said relief fund is formed from voluntary contributions of the employees of the road, from contributions given by said defendant, the Pennsylvania Company, when necessary to make up any deficit, from income or profits derived from investments, or profits of the moneys of the fund, and such gifts and legacies as may be made for the use of the fund. The regulations governing said Voluntary Relief Department require that those who participate in the benefits of the relief fund must be employees in the service of the Pennsylvania Company, and be known as members of the relief fund. Defendant, further answering, says that no employee of the company is required to become a member of said relief fund; that the same is purely voluntary; that anyone who has become a member may withdraw at any time, upon proper notice; that contributions from such members cease by so withdrawing. The defendant further says that participation in the benefits of such relief fund is based upon the application of the beneficiaries; that on the 3d day of January, 1894, the plaintiff in this case, being in the employ of the defendant company, applied for membership, and in said application agreed to be bound by the regulations of the said fund. Defendant further says that the application for membership was approved and accepted at the office of the superintendent of the relief department, and that thereupon said plaintiff became a member of said relief fund. Defendant further says that, when said plaintiff received the injuries complained of, he thereupon became entitled to the benefits growing out of his membership in said relief fund, by reason of the injury so received while in said service; that said plaintiff thereupon immediately applied to said department for such benefits, and received monthly payments therefrom, amounting in all to the sum of \$399, until the commencement of this action, on the 25th day of May, 1895. Defendant says that the plaintiff, in his application for membership, expressly agreed that, should he bring suit against either of the companies now associated in the administration of the relief department for damages on account of injury or death, payment of benefits from the relief fund on account of the same shall not be made until such suit is discontinued, or, if prosecuted to judgment or compromise, any payment of judgment or amount of compromise shall preclude any claim upon the relief fund for such injury or death. Defendant says that, the plaintiff having commenced suit against the defendant, payments to the plaintiff for the benefits accruing under said contract were suspended; and defendant says that by virtue of the agreement aforesaid, and the acceptance by the plaintiff of the benefits from said relief fund on account of said injuries, the said defendant thereupon became discharged from any and all liability to the plaintiff on account of said injuries. The plaintiff has demurred to this answer. He contends, first, that the contract set up in the answer is invalid; and, next, that it is in violation of an act of the legislature of Ohio passed in 1890, in 87 Ohio Laws, page 149.

There are two questions to be determined upon the demurrer thus interposed. The first question is whether this contract between the



plaintiff and the defendant is a valid one. The case, as presented to the court, rests entirely upon the pleadings. No evidence is before me, and the allegations of the defendant's answer are to be accepted as true by the plaintiff having demurred thereto. It therefore becomes important to emphasize the facts thus admitted. They are that the plaintiff voluntarily became a member of this relief department, with full knowledge of its rules and regulations. The answer further distinctly avers, and the demurrer admits it, that, by his application in writing to become a member of such relief department, the plaintiff agreed that the acceptance by him of benefits from the relief fund, for injury or death, should operate as a release of all claims for damages against said defendant arising from such injury or death. It will be observed that it is the acceptance of benefits from this relief fund which, by the agreement, releases the railroad company from a claim for damages. If the employee injured does not accept such benefits, but chooses to sue for damages, his right of action is unimpaired, and in no respect waived. This is the case as presented by the pleadings and admitted facts. It is not the question of whether a railroad company, by contract with its employees, can exempt itself from suits for personal injuries caused by its negligence. That, as a general rule, cannot be done. This case does not present that question, neither does it present an issue of fact as to whether this contract for insurance is a voluntary one or not. If the pleadings and evidence in a case should show that an employee entered into such a contract, ignorant of its terms, or when under restraint or duress or compulsion, the court would then be authorized, and it would be its duty, to inquire into that fact, and relieve against any wrong of that nature. But, as before stated, no such question is now in any way presented. The pleadings do not even suggest such an issue. The sole question is whether, under the admitted facts already stated, this contract is valid. There are decisions of the supreme courts of the States of Iowa, Maryland, Pennsylvania, and of State courts in Ohio, and of circuit courts of the United States in Ohio and Maryland, holding such contracts legal and binding. Under this plan, employees of railroads are afforded protection by a species of insurance. This sort of protection is not available to them in ordinary insurance companies, except at such high cost as to make it substantially unobtainable. Members sick or injured are entitled to benefits, regardless of what causes their temporary disabilities. They will thus receive benefits in cases where no claim against the railroad company could be made. They could receive benefits, also, in cases where the injury was the result of their own contributory negligence, or of that of fellow-servants in the same department of service, in both of which cases, as a rule, no right of action would arise against their employer. Now, if employees desire to enjoy the benefits of such contracts, they should have the right to make them. They are capable of deciding for themselves whether they want to contract for such protection. It is not within the powers of a legislature to assume that this class of men need paternal legislation, and that, therefore, they will protect them by depriving them of the power to contract as other men may.

At this point in its opinion the court cites and quotes from the following cases: *Johnson v. Railroad Co.*, 163 Pa. St. Reports, p. 127, and 29 Atlantic Reporter, p. 854; *Donald v. Railroad Co.*, 61 Northwestern Reporter, p. 971; *Fuller v. Association*, 67 Md. Reports, p. 433, and 10 Atlantic Reporter, p. 237; *Owens v. Railway Co.*, 35 Federal Reporter,



p. 715, and *Martin v. Railroad Co.*, 41 Federal Reporter, p. 125. The opinion then continues as follows:

In view of these authorities and of the reasons given in support of the conclusions reached, I feel justified in holding the contract in this case valid and binding upon the plaintiff.

The next question to be determined is whether the act of 1890 of Ohio [87 Ohio Laws, p. 149] is constitutional. The latter part of the first section of said act reads as follows:

"And no railroad company, insurance company, or association of other persons shall demand, expect, require or enter into any contract, agreement or stipulation with any other person about to enter, or in the employment of any railroad company whereby such person stipulates or agrees to surrender, or waive any right to damages against any railroad company thereafter arising from personal injury or death, or whereby he agrees to surrender or waive, in case he asserts the same, any other right whatsoever, and all such stipulations or agreements shall be void."

This act has been declared unconstitutional in the case of *Cox v. Railway Company* (33 Ohio Law J.), April 22, 1895, in a well-considered opinion by Judge Dilatush, of the Warren County court of common pleas; and the court reaches that conclusion because said act violates section 1, article 1, of the bill of rights, as interfering with the rights of private contract. That provision of the bill of rights is as follows:

"All men are by nature free and independent, and have certain inalienable rights, among which are those of enjoying and defending life and liberty, acquiring, possessing and defending property, and seeking and obtaining happiness and safety."

Article 2, section 26, of the constitution of Ohio, provides:

"All laws of a general nature shall have uniform operation throughout the State."

The act under consideration, while it is general in its nature, applies only to railroad companies and their employees, and is not, therefore, general in its application, and does not operate uniformly on all classes of citizens. Under this statute railroad companies are prohibited from making contracts which other corporations in the State are allowed to make.

Article 1, section 10, of the Constitution of the United States, prohibits any State from passing any law impairing the obligation of contracts.

Article 8, section 16, of the bill of rights of the State of Ohio, prohibits making any law impairing the obligation of contracts.

Article 2 of the Northwestern Territorial Government (1787) provides as follows:

"In the just preservation of rights and property, it is understood and declared that no law ought ever to be made or have force in said Territory that shall in any manner interfere with or affect private contracts or engagements bona fide without fraud, previously made."

This extract from the ordinance of 1787 shows how jealously the right of personal liberty in the making of private contracts was regarded, and how carefully any restriction of said right was restrained.

The act under consideration is certainly one which impairs the rights of a large number of the citizens of Ohio to exercise a privilege which is dear to all persons, namely, that of making contracts concerning their own labor and the fruits thereof, and, so far as it relates to such contracts already made, impairs their validity. The act seems to



assume that a large class of the citizens of the State, namely, those employed by railroad corporations, are incapable of making contracts for their own labor.

As hereinbefore stated, this contract shows on its face, not only that no unfair advantage is taken of these employees, but that the contract, in its broadest and fullest sense, is a beneficent one, intended for their protection and assistance. If in some cases it proves unsatisfactory to the employee insured, that is in itself no evidence that the contract is of an unconscionable nature, or unfair in its provisions. Neither is it a sufficient pretext to assume that all such contracts need the supervision of the legislative body, or that so large a class of citizens should be restricted in their right of personal liberty.

The Ohio statute, in denying to the employees of a railroad corporation the right to make their own contracts concerning their own labor, is depriving them of "liberty," and of the right to exercise the privileges of manhood, "without due process of law." Being directed solely to employees of railroads, it is class legislation of the most vicious character. Laws must be not only uniform in their application throughout the territory over which the legislative jurisdiction extends, but they must apply to all classes of citizens alike. There can not be one law for railroad employees, another law for employees in factories, and another law for employees on a farm or the highways. Class legislation is dangerous. Statutes intended to favor one class often become oppressive, tyrannical, and prescriptive to other classes never intended to be affected thereby; so that the framers of our constitution, learning from experience, wisely provided that laws should be general in their nature and uniform throughout the State.

For the reasons stated, I am of the opinion, first, that the contract set out in the defendant's answer is a valid contract; and, second, that the act of the legislature of Ohio, which declares it to be void and invalid, is unconstitutional. The demurrer to the answer is therefore overruled.

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WAGES EXEMPT FROM GARNISHMENT—*Chapman et al. v. Berry*. 18 *Southern Reporter*, page 918.—J. P. Berry recovered a judgment against Henry Chapman in the circuit court of Hinds County, Miss. A writ of garnishment was issued April 8, 1895, and served on the Alabama and Vicksburg Railroad Company on the same day. The garnishee answered, setting up that at the time the garnishment was served it owed Chapman \$81, and during the month of April Chapman's wages amounted to \$81 and Chapman drew from its supply car supplies amounting to \$56.65; that during the month of May Chapman's wages amounted to \$81 and he drew supplies amounting to \$74.25; that Chapman's wages for the month of June were \$81 and he drew supplies amounting to \$71; that, adding the amount of its indebtedness to Chapman at the time the writ was served to the balances due him from month to month, it owed him \$121 at the time the answer was filed. Chapman claimed the amount due him as exempt, under section 1963 subsection 10a of the Code of 1892, which reads as follows:

And the following property shall be exempt from garnishment or other legal process, to wit:

(a) The wages of every laborer or person working for wages, being



the head of a family, to the amount of one hundred dollars, and every other person to the amount of twenty dollars.

From a judgment of the circuit court in favor of the plaintiff, Berry, for the full amount of all the wages due the defendant, Chapman, at the time the writ of garnishment was served, and what became due before the answer was filed, less \$100, defendant and the railroad company appealed to the supreme court of the State. The decision of said court was rendered October 28, 1895, and reversed the decision of the lower court.

The opinion of the court, delivered by Judge Woods, contained the following language:

In the case at bar the judgment creditor sought to tie up and have applied to his judgment the entire monthly wages of his debtor for three or four months under one writ of garnishment, executed in April and returnable in July, less \$100, exempt as wages. This view was adopted by the court below, and judgment was entered accordingly. The action was erroneous and rests upon a rigid adherence to the letter of the law of garnishment as contained in chapter 55, Code 1892, and in failing to give vital efficacy to that provision, subdivision *a* of the tenth head of the first section of our law of exempt property, found in chapter 45 of the Code, by which "the wages of every laborer or person working for wages, being the head of a family, to the amount of one hundred dollars," are made exempt from seizure under legal process.

The humane and wise purpose of this exemption law was to secure, not only to the laborer, but the family of which he was head, and for which, by every obligation, legal as well as moral, it was his duty to provide, the necessaries and comforts of life. His wages, by law, are set apart and dedicated to that righteous end. They are made absolutely exempt from seizure under legal process, and we must give our exemption law such construction as will carry its beneficent designs into effect. The chapter on garnishment and the independent chapter on exemption must be so construed as to give harmonious effect to both. The view which we decline to follow would practically render nugatory this salutary provision exempting the wages of laborers.

If, by successive service of writs of garnishment, as was attempted in *Chandler v. White* [71 Miss. Reports, p. 16], or by a single writ returnable to a term of court long subsequent to its execution, as was done in the present case, the debtor [creditor] can aggregate the small monthly wages to an amount in excess of the exemption, and seize this excess, no matter how great his judgment may be, it will be readily seen that both the laborer and his family may come to actual want, and the statute for their protection would be rendered nugatory.

Under the mistaken view which prevailed below, the laborer would be deprived of his small wages, payable at short intervals, until his creditor's debt had been satisfied, if the laborer continued in the service of the same employer, or he would be driven to seek employment, and if successful in finding it, he would again be forced to leave the second employment, after a writ of garnishment had been served, and once more engage in his wandering search for a third engagement, and so on indefinitely, his family meanwhile subjected to all the hardship and want incident to such vicissitudes of evil fortune.

The true view is that on the 1st of each month, or whenever, by the contract of employment, the wages, not exceeding \$100, are due and



payable, the laborer has the right to demand and receive them, notwithstanding his employer may have been garnisheed. When the garnishment writ was served in this case on April 1, 1895, and the railway company's answer showed that it owed its servant \$81 for wages, the judgment creditor took nothing by its writ, for the wages then due were not garnishable, and the servant had the right to demand payment of his employer, notwithstanding the service of the writ; and, in like manner, the wages for April, May, and June, as they respectively fell due (provided, always, the employer did not have more than \$100 of the laborer's wages in his hands), were absolutely exempt from seizure under legal process, no matter whether by one writ or a half dozen successive writs, and the railway company might and should have paid, according to the tenor of its contract, the monthly wages to the laborer. Our statute was designed to secure to laborers and their families the small fruits of their toil, and we feel bound to give it such proper and liberal interpretation as will give life and force to that wise and humane design.

It is contended, however, by counsel for appellee, that, if their chief contention is thought by us to be not sound, yet, under the amended answer of the garnishee, judgment should be rendered for \$20.10. The answer does not admit an indebtedness of \$120.10, but states certain facts by which the various balances, after deducting from each month's wages of \$100 the amounts paid to or accounted for with the laborer monthly, if added to the \$81 due when the garnishment was served in April, amount to \$121. But we have already seen that this \$81 wages for March was exempt from seizure under legal process, was not garnishable, and that the judgment creditor acquired nothing by the service of his writ at that time. Let the garnishee be discharged on its answer. Judgment accordingly.

### DECISIONS UNDER COMMON LAW.

BREACH OF CONTRACT OF EMPLOYMENT—DAMAGES—*William Tarr Co. v. Kimbrough*. 34 *Southwestern Reporter*, page 528.—Action was brought in the court of common pleas of Fayette County, Ky., by J. Mc. Kimbrough against the William Tarr Company to recover on a contract of employment. Judgment was rendered for the plaintiff, and the defendant appealed to the court of appeals of the State. Said court rendered its decision February 26, 1896, and reversed the judgment of the lower court. It appears from the evidence that Kimbrough made a contract with the appellant by which he was employed to do certain work for one year, commencing June 1, 1890, at a salary of \$1,200 per annum, payable in monthly installments of \$100. He was paid \$100 for the month of June; \$68.02 on his July salary, and was discharged without cause on the first day of August. The opinion of the court of appeals, delivered by Judge Paynter, contains the following language:

The court erred in giving instructions to the jury. The court assumed that if the plaintiff was employed by the defendant for the month of August at the contract price of \$100, and was discharged without cause, then he was entitled to recover the \$100 in damages for the violation of



the contract, and so told the jury. If the contract existed as claimed by plaintiff, he was only entitled to recover such damages as he had actually sustained, and which the jury should have fixed on proof. A refusal to allow one to perform a stipulated service is not equivalent to performance, so as to entitle the party to recover the agreed price for full performance.

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EMPLOYERS' LIABILITY—ASSUMPTION OF RISKS—*Greene v. Western Union Telegraph Co.* 72 *Federal Reporter*, page 250.—This was an action brought by John C. Greene against the Western Union Telegraph Company, in the United States circuit court for the district of Minnesota, to recover damages for personal injuries received while in the employ of said company.

The plaintiff was in the employ of the telegraph company as a line-man, and was one of a crew engaged in repairing its telegraph lines, under the immediate charge of a foreman, who had authority to hire and discharge men, and direct them where and how to work. He was ordered by the foreman to climb a certain "gin pole," and while climbing it, pursuant to said order, the pole fell, apparently because not sufficiently guyed, and he was injured. The plaintiff claimed that the foreman was a vice-principal, for whose negligence in the erection of said pole the defendant was liable.

Upon the evidence given the defendant moved the court to direct a verdict in its favor, and the court, March 11, 1892, granted the motion. The opinion was delivered by District Judge Nelson, and was as follows:

I think this was a risk that the plaintiff assumed when he was hired. It was a part of his duty. He was not only to help erect and climb poles and string wires, but to help to put up those gin poles. While the business may have been a hazardous one, he assumed the ordinary risks incident thereto, and among them that of a pole not being properly guyed, owing to negligence on the part of his fellow-workmen. Conceding that the foreman was a representative of the company, I do not think it has anything to do with the case. Plaintiff was not taken from any particular duty and put into one that he was not hired to do, which was extra hazardous, and unnecessarily exposed him to a danger which he did not contemplate by virtue of his employment; but he was hired to do just what he was ordered to do, and in so doing the accident happened. I think this man was injured by a risk which he assumed by virtue of his employment, and I instruct you that the defendant is entitled to your verdict.

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EMPLOYERS' LIABILITY—RAILROAD COMPANIES—*Union Pacific Ry. Co. v. O'Brien.* 16 *Supreme Court Reporter*, page 618.—This was an action brought by Nora O'Brien against the Union Pacific Railway Company in the circuit court for the district of Colorado to recover



damages for the death of her husband, John O'Brien, who was in the employment of the railway company as a locomotive engineer, and was killed by the derailment of his engine. The evidence showed that at the time of his death O'Brien was bringing a freight train from Como, Colo., to Denver, and was running through that part of the mountains known as "Platte Canyon;" that the line of the railway followed the course of the South Platte river, and that there were numerous cuts thereon, caused by the intersection of the line with the spurs projecting from the foothills along which the line was built; that the locomotive was derailed by reason of sand and gravel which had been deposited on the track to a depth of some 7 or 8 inches and to the extent of from 10 to 20 feet; that this deposit was in a cut, approached by a curve to the left, and then curving to the right as the track entered the cut, a double curve; that the river bank of the cut was about 7 or 8 feet high, the other bank being much higher and very steep, sloping back up the mountain side; that down the upper bank ran a narrow gully which in rainy weather brought down water, carrying sand and disintegrated rock; that this gully had had an outlet into the river before the track was constructed across it; that there was no opening or culvert under the railroad track through which the water and material brought down could escape; that a small ditch ran alongside the roadbed, but if the water coming down was greater in quantity than this ditch could carry, then the surplus would run over and upon the tracks of the railroad, and that rain had fallen the evening previous to the accident, and the water, rushing down the gully, had deposited this mass of sand and gravel upon the track. There was some evidence that the gully was narrow, crooked, and concealed by the hills.

The court refused to give certain instructions asked by the defendant to the jury, and the defendant excepted. The court then charged the jury at large, leaving to them the issues of negligence on the part of the company in not properly constructing the track, in that no outlet was provided for the water which would be liable to come down on the track and deposit sand and other obstructions thereon, and of contributory negligence.

The court advised the jury, among other things, that as the road at the place where the accident occurred was built across the mouth of a gulch, and from all the circumstances it would seem that it would have been practicable to make a culvert under the track at that place, keeping open the channel toward the river, through which the sand might have washed out, and in that manner obstruction might have been avoided, if they believed from the evidence, taking into consideration the size of the requisite opening and the quantity of sand and gravel coming down through the gulch, and all the circumstances, the track might have been built at reasonable expense so as to avoid the possibility of the sand coming upon the track and obstructing it, they were at liberty to find that the company was negligent in respect to the



manner of building the track at that place; and also that, independently of the testimony on that subject, the jury, having regard to the testimony before them, the situation of the road, and the topography of the ground, the gulch coming down in the way described by the witnesses, might on their own judgment and knowledge of such matters determine in their own minds "whether it was practicable to make a culvert there, with reasonable cost, which would have the effect of carrying away the sand and gravel so it would not be an obstruction upon the track."

To these parts of the charge defendant excepted.

The jury found in favor of the plaintiff, and, judgment having been entered on the verdict, the railroad company carried the case to the circuit court of appeals for the eighth circuit, which affirmed the judgment. The railroad company then brought the case upon writ of error to the Supreme Court of the United States, which rendered its decision March 9, 1896, and affirmed the judgment of the lower courts.

The opinion of the court was delivered by Mr. Chief Justice Fuller, who, in the course of the same, used the language quoted below:

The general rule undoubtedly is that a railroad company is bound to provide suitable and safe materials and structures in the construction of its road and appurtenances, and if, from a defective construction thereof, an injury happen to one of its servants, the company is liable for the injury sustained. The servant undertakes the risks of the employment as far as they spring from defects incident to the service, but he does not take the risks of the negligence of the master itself. The master is not to be held as guarantying or warranting absolute safety under all circumstances, but it is bound to exercise the care which the exigency reasonably demands in furnishing proper road-bed, track, and other structures, including sufficient culverts for the escape of water collected and accumulated by its embankments and excavations.

It is the duty of the company, in employing persons to run over its road, to exercise reasonable care and diligence to make and maintain it fit and safe for use; and, where a defect is the result of faulty construction, which the employer knew, or must be charged with knowing, it is liable to the employee, if the latter use due care on his part, for injuries resulting therefrom.

There are cases in which, if the employee knows of the risk, and the danger attendant upon it, he may be held to have taken the hazard by accepting or continuing in the employment; but this case, as left to the jury under the particular facts, is not one of them. This engineer was entitled to rely upon the company as having properly constructed the road, and to presume that it had made proper inquiry in respect of latent defects, if there were any, in the construction, for such was its duty; and he can not be held to knowledge of the danger lurking in this narrow seam in the mountain side by whose inequalities its sinuosities were hidden. We agree with the circuit court of appeals that the circuit court properly instructed the jury in this regard, and that no error was committed in allowing the jury to consider the evidence in the light of their own judgment and knowledge, taking into consideration all the facts bearing on the defective construction in question. Judgment affirmed.



EMPLOYERS' LIABILITY—RAILROAD COMPANIES—*Atchison, Topeka and Santa Fe Railroad Company v. Butler*. 43 *Pacific Reporter*, page 767.—This was an action brought by Alice E. Butler against the railroad company to recover damages for the death of her husband, Elmer E. Butler, a switchman in the defendant's yards at Dodge City, Kans., on August 5, 1890. There was a judgment for the plaintiff, and the defendant brought the case up on error from the circuit court in Ford County, Kans., to the supreme court of the State. Said court rendered its decision February 8, 1896, and affirmed the judgment of the lower court. The evidence showed that Butler was one of a switching crew, consisting of an engineer and fireman on the engine, a foreman, named Bleaker, a switchman, named Martin, and himself. The general course of the railroad where they were working was east and west, and there were two side tracks or switches south of the main track, the first one branching from Bridge street east, being called the "river track," and the other branching from it east of Bridge street, being called the "house track," extending to the freight warehouse. The switch east of Bridge street could be so adjusted as to throw cars from the main track either onto the river track or the house track. On the occasion of the casualty the engine was attached to the west end of the way car which had five or six cars attached to the east of it on the river track, which were to be pulled out upon the main track, and the car farthest east thrown onto the house track to be coupled to some cars standing near the warehouse, after which the others were to be thrown back onto the river track. Butler was on the car that was to be thrown onto the house track, and it was kicked eastward by the engine and other cars, Bleaker pulling the pin and Martin turning the switch, and after the car passed him turning it back again so as to throw the other cars upon the river track, Bleaker again pulling the pin which coupled the way car to the rest of the train, which was kicked back upon the river track and overtook the one on which Butler was riding on the house track before it had gone far enough to clear it from those following on the river track, and the car farthest east struck the northwest corner of the one upon which Butler was riding with a force which knocked him off, and he was run over and killed. The complaint alleged the killing of Butler on account of the negligent and careless management of the engine and cars by the railroad company through its agents and servants. Chief Justice Martin delivered the opinion of the supreme court, and used the following language therein:

In the parlance of railroad switch yards, when a car running or standing on one track is struck by a car or cars in motion on another before the two tracks have sufficiently diverged to admit of the cars clearing each other, they are said to "corner;" and it was a collision of this nature, between cars running in the same direction, upon different tracks, that caused the death of Elmer E. Butler. Such an occurrence can hardly take place without the fault of one person or more.

Before Butler's car got far enough on the house track to clear, it was



struck by the train on the river track. Had his car run a little faster or the train on the river track a little slower, the collision would not have occurred; and the real question was whether the fault was that of Butler or of the men in the management of the train that was set upon the river track. The jury have found, in substance, that those in the management of the train were in fault, and that Butler was not; and we think the evidence is sufficient to justify their verdict. It tended to show that the train was kicked down upon the river track with great force before Butler's car had time to get out of the way. It is possible that Butler may have turned the brake wheel without setting the brake, and this sooner than he should have done, but common prudence would dictate and the rules of the company required that cars should not be "cornered;" and, before a train is set upon a track, those in the management of it should use reasonable diligence to see that it will clear the car or cars on another track. Reliance is placed by the railroad company upon the fact that those in the management of the train after Butler's car had been cut off thought it had sufficient momentum to take it beyond the clearing post, and we doubt not that they were correct. But they did not give it time. It was still running when it was struck, and perhaps in two or three more seconds it would have been out of the way, but the other cars were hurled down upon it on the other track; and we can not say that this was not negligence. The evidence tends to show that Butler was upon the top of the car at or near the brake, and looking toward the east, where it was his duty to couple to others at or near the warehouse. In this position he probably did not see the clearing post, nor knew the exact location of his car with reference to it; and, after the train was uncoupled from the way car, it was not in the power of any of the crew to check it, and, if Butler noticed it, no signal from him would have been of any avail. Upon the whole, there was no material error in the case, and the judgment must be affirmed.



## RECENT GOVERNMENT CONTRACTS.

[The Secretaries of the Treasury, War, and Navy Departments have consented to furnish statements of all contracts for constructions and repairs entered into by them. These, as received, will appear from time to time in the Bulletin.]

The following contracts have been made by the office of the Supervising Architect of the Treasury:

DETROIT, MICH.—July 17, 1896. Contract with Forster & Smith, Minneapolis, Minn., for joinery work, marble work, iron stairs, plastering, etc., in courthouse, post office, etc., \$216,740. Work to be completed within seventeen months.

PUEBLO, COLO.—July 18, 1896. Contract with L. L. Leach & Son, Chicago, Ill., for erection and completion of post office, except heating apparatus, plumbing, elevator car and machinery, electric wire and conduits, \$187,774. Work to be completed within eighteen months.

SIOUX CITY, IOWA.—August 7, 1896. Contract with Optenberg & Sonneman, Sheboygan, Wis., for low-pressure, steam-heating, and mechanical ventilating apparatus, power boilers, etc., for courthouse, post office, and customhouse, \$10,699. Work to be completed within ninety working days.

WASHINGTON, D. C.—August 10, 1896. Contract with George C. Howard, Philadelphia, Pa., for extending and remodeling one freight elevator at the Bureau of Engraving and Printing, \$1,500. Work to be completed within three months.

SOUTH BEND, IND.—August 17, 1896. Contract with Henderlong Bros. & O'Neill, Valparaiso, Ind., for erection and completion of post office, except heating apparatus, \$35,036. Work to be completed within eleven months.

MADISON, IND.—August 24, 1896. Contract with Bailey, Koerner & Co., Louisville, Ky., for erection and completion of post office, except heating apparatus, using Portage red sandstone and Indiana limestone, \$22,460. Work to be completed within six months.

NEWARK, N. J.—August 29, 1896. Contract with Morse, Williams & Co., Philadelphia, Pa., for hydraulic elevator in the customhouse and post office, \$3,995. Work to be completed within seventy days from approval of bond.

MERIDIAN, MISS.—September 1, 1896. Contract with F. B. Stowell & Co., Chicago, Ill., for erection and completion of post office, except heating apparatus, \$51,000. Work to be completed within ten months.



BEAVER FALLS, PA.—September 2, 1896. Contract with William Miller & Sons, Pittsburg, Pa., for erection and completion of post office, except heating apparatus, \$30,746.

RACINE, WIS.—September 9, 1896. Contract with Adam H. Marcus, Racine, Wis., for erection and completion of customhouse and post office, except heating apparatus, \$44,347. Work to be completed within ten months.

TAUNTON, MASS.—September 10, 1896. Contract with A. H. Klein-ecke, Chicago, Ill., for interior finish, plumbing, and gas piping for post office, \$16,060. Work to be completed within six months.

KANSAS CITY, MO.—September 25, 1896. Contract with J. J. Hani-ghen, Omaha, Nebr., for horizontal drain pipes, clean outs, and clean out manholes for post office and courthouse, \$3,733. Work to be com-pleted within fifty working days.

YOUNGSTOWN, OHIO.—September 25, 1896. Contract with Bailey, Koerner & Co., Louisville, Ky., for erection and completion of post office, except heating apparatus, \$31,849. Work to be completed within nine months.

DETROIT, MICH.—September 26, 1896. Contract with Henry Carew & Co. for isolated ward building for marine hospital, \$1,090. Work to be completed within sixty days.

BUFFALO, N. Y.—September 26, 1896. Contract with John Peirce, New York City, for superstructure, etc., of Jonesboro granite for post office, \$719,900. Work to be completed within twenty months.

KANSAS CITY, MO.—September 30, 1896. Contract with the Huagh-Noelke Iron Works, Indianapolis, Ind., for steel and iron work of roof, etc., of post office and courthouse, \$7,005. Work to be completed within sixty days.



